



Allianz Construction Insurance – Single Projects

Policy Document.

Allianz 



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Introduction

About Allianz

Allianz Australia Insurance Limited ABN 15 000 122 850 is the insurer of this Policy and is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

Purpose of this insurance

In summary, this insurance provides two types of cover:

- Section 1 Material damage – provides cover to covered persons for certain physical loss of or damage to specified insured property under the insured contract. There are a number of Additional benefits available or automatically provided;
- Section 2- Third party liability – provides cover for certain amounts covered persons may be liable to pay compensation for to a third party for certain personal injury or property damage.

To properly understand the cover provided You need to carefully read:

- about each of the two covers in Sections 1 and 2, We set out the cover provided and the specific exclusions and conditions that apply to each cover (the cover provided under each Section can be affected by the following);
- the rest of this “Introduction”, which sets out how You apply for cover, the basis on which We insure You, the Duty of Disclosure You need to meet before We insure You, our privacy information and our dispute resolution procedures;
- the “General Definitions applicable to all Sections”, which sets out what We mean by certain words used in the insurance. Except where noted otherwise, these words begin with a capital letter throughout this document. Each cover Section also contains Definitions relevant to that Section;
- the “General Exclusions” that apply to all covers;
- the “General Conditions” that apply to all covers. If You do not meet these conditions We may be able to refuse to pay You or may reduce what We pay for a claim to the extent permitted by law; and

- the Schedule and any endorsements or other written changes to the standard cover We issue to You, which contain specific details relevant to You.

Please read the above carefully to ensure this insurance provides You with the protection You need.

Basis on which We insure You

Where We agree to insure You, We do so:

- based on the information provided in Your proposal and/or statement of answers and/or submission and subject to payment of the required premium by the required date;
- subject to the Sum Insured or Limit of Liability stated in the Schedule in respect of those Sections, or the relevant Section Additional benefit(s) shown as operative;
- in accordance with the Policy terms and conditions – Your Policy is made up of this Policy Document, the Schedule and any Endorsements or other document issued by us in writing to amend the standard terms of cover.

You should carefully read all of these as if they are one document and keep them in a safe place.

We only cover the interests of persons specified as entitled to cover in the Policy and only to the extent specified.

If You require further information about the Policy or wish to confirm a transaction, please refer to the contact details provided on the back cover.

Your Duty of Disclosure

You have a duty to tell Us before and up until the Policy is entered into, every matter known to You which:

- You know; or
- a reasonable person in the circumstances could be expected to know,

is relevant to Our decision whether to insure You and whether any special conditions need to apply to Your Policy.

This duty applies when You renew, extend, vary or reinstate the Policy.

What don't You need to tell Us?

You do not need to tell Us about any matter:

- that diminishes Our risk;
- that is of common knowledge;
- that We know or should know as an insurer; or
- that We tell You We do not need to know.

Who must tell Us?

Everyone who is insured under the Policy must answer the questions in this way.

What happens if You or they do not comply with this duty?

If You or they do not comply, We may cancel the Policy and/or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

Privacy Act 1988 – Information

We collect Your personal information directly from You where reasonably practicable or if not, from other sources. We collect it to provide Our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of Our related companies and alliance partners that may interest You. If You do not provide the information We require we may not be able to provide You with this service.

We disclose information to third parties who assist Us in the above. (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, Your agents and other persons where required by law. We prohibit them from using it for purposes other than those We supplied it for. Where You provide Us with information about another person for the above purposes, You must tell Us if You haven't got their consent to this. If You wish to gain access to Your personal information (including to correct or update it), have a complaint about a breach of Your privacy or You have any query on how Your personal information is collected or used, or any other query relating to Privacy, contact Us on 13 2664 EST 8am-6pm, Monday to Friday.

General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry. We keenly support the standards set out in the Code. You can obtain more information on the Code of Practice and how it assists You by contacting Us using the details on the back cover.

Dispute resolution process

We have a free internal complaints resolution process that can be accessed by contacting Us using the details on the back cover. If this process doesn't resolve the complaint We will give You information about how to access available external dispute resolution schemes.

GST Notice

This Policy has a GST provision in relation to premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read it carefully. Seek professional advice if You have any queries about GST and Your insurance.

Sums insured

All monetary limits in this Policy may be increased for GST in some circumstances (see below).

Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

- Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item insured under the Policy) We will pay for the GST amount. We will pay the GST amount in addition to the Sum Insured/Limit of Liability or other limits shown in the Policy or in the Schedule. If Your Sum Insured/Limit of Liability is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.

We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled;

- Where We make a payment under this Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

Disclosure – Input Tax Credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose or understate Your entitlement, You may be liable for GST on a claim We may pay. This Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

Terrorism Insurance Act

We have determined that this Policy (or part of it) is a Policy to which the Terrorism Insurance Act 2003 applies. We have reinsured Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC). As a consequence, We are required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with

the legislation) is reflected in the premium charged to You. As with any other part of Our premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Allianz or Your intermediary.

General Definitions applicable to all Sections of this Policy

Except where stated otherwise within a particular Section of this Policy, for the purpose of this Policy and the Schedule and any Endorsements the following definitions apply:

“Construction Period” means for the Insured Contract, the period commencing:

1. on the inception date specified on the Schedule; or
2. upon commencement of the Contract Works at the Contract Site,

whichever is the later, and ending at the earlier of:

1. the time of practical completion of the Contract Works, being when the Contract Works are complete except for minor omissions and minor defects which do not prevent the Contract Works from being reasonably capable of being used for their intended purpose; or
2. with respect to any portion of the property insured, the time it is taken over or put into use (whichever is the earlier) by the purchaser or principal; or
3. at the expiry date of the Period of Insurance.

The Construction Period also includes any testing and commissioning period where given by specific Endorsement.

“Contract Site” means the location stated in the Schedule where the Contract Works are carried out and in respect of materials, whilst stored on adjacent property.

“Contract Works” means the whole of the works described in the Insured Contract as required for the performance of the Insured Contract, whether permanent or temporary, including principal supplied or free-issue materials or materials incorporated or to be incorporated, therein. The works includes new works or additions and alterations to or refurbishment of pre-existing buildings or structures, all of which form part of the Insured Contract.

The Contract Works does not include Pre-Existing Property, Construction Plant and Machinery, Tools of Trade or temporary buildings, scaffolding, hoardings, formwork or falsework. Cover for such items can be obtained if requested and agreed to by Us for an additional premium.

“Deductible” means either the amount of money specified in the Schedule or stated in the Policy for each applicable Section or type of loss as specified, that the Insured must contribute as the first payment for all claims arising out of one event or occurrence.

“Insured Contract” means the contract or agreement described in the Schedule entered into by the Named Insured which gives rise to the Contract Works and includes any sub-contract or sub-agreement in connection with the contract or agreement.

For the purposes of any Sum Insured / Limit of Liability under this Policy, the Named Insured’s contract or agreement and the sub-contracts or sub-agreements referred to above are treated as one Insured Contract.

“Maintenance Period” means the period starting at the end of the Construction Period and continuing until the earlier of:

1. a maximum period of 12 months thereafter or if a different maximum Maintenance Period is stated in the Schedule, then that maximum Maintenance Period will apply; or
2. any lesser Maintenance Period as may be specified in the Insured Contract.

“Named Insured” means the company or person stated as such in the Schedule who has entered into this Policy with Us.

“Period of Insurance” means the period of insurance stated in the Schedule plus if required by the Insured Contract, it extends for the Maintenance Period.

“Policy” means this document, the Schedule and any Endorsement or other document issued by Us in writing to amend the standard terms of cover.

“Pre-Existing Property” means property existing prior to the commencement of the Contract Works.

“Schedule” means the most recently dated schedule We have provided to the Named Insured which specifies important information such as the Policy number, the Contract Site, those Sections and Additional benefits that are in force, the details of the Contract Works, the Construction Period, Sums Insured, Deductible(s) and any Endorsements applicable.

“the Insured” means:

1. the Named Insured;
2. any principal, contractor or project manager (not being the Named Insured) described in the Schedule that is a legal entity with whom the Named Insured has entered into a contract for the performance of any part of the Insured Contract, but only for their interest (financial, legal or equitable) and involvement in the Insured Contract, and only to the

- extent this insurance (or part of it) is required for such interest under the Insured Contract;
3. all sub-contractors to the entities noted in paragraphs 1. and 2. above (including their sub-contractors of any tier), but only whilst acting in the scope of their duties as sub-contractors in relation to the Insured Contract and only to the extent this insurance (or part of it) is required for such interest under the Insured Contract;
 4. all subsidiary companies or related companies of the Named Insured (as defined by the Corporations Act 2001 (Cth) or any other relevant Australian companies legislation in place from time to time) now or hereinafter constituted whose places of incorporation are within Australia including its mandate territories and protectorates, who are parties to the Insured Contract or have an interest (financial, legal or equitable) and involvement in the Insured Contract, but only for their interest and involvement and only to the extent this insurance (or part of it) is required for such interest under the Insured; Contract;
 5. any Director, Executive Officer, Employee, Partner or Shareholder of the entities noted in paragraph 1. above or of a company designated in paragraph 3. above, but only whilst acting within the scope of their duties in such capacity;
 6. any legal entity identified by name in the Schedule as having an interest (financial, legal or equitable) in the Contract Works, but only in respect of the insurance provided under Section 1. and only to the extent of such interest and to the extent this insurance (or part of it) is required for such interest under the Insured Contract;
 7. any supplier or manufacturer to the entities noted in paragraphs 1., 2. or 3. above, being a legal entity with whom such supplier has entered into an agreement for the supply of any physical items of the Insured Contract(s), but only to the extent required by such agreement and only for their on-site activities at the Contract Site;
 8. any architect, engineer, quantity surveyor or other professional consultant to the entities noted in paragraphs 1., 2. or 3. above being a legal entity who are required under contract conditions to be included as an insured, but only in relation to their manual on-site activities associated with the Contract Works and only to the extent this insurance (or part of it) is required for such interest under the Insured Contract;

9. the officers, committee members and members of the Named Insured's canteen, social, sports, medical, fire fighting and welfare organisations in their respective capacity as such.

For the purpose of this Policy, entities insured under paragraphs 7. & 8. of this definition are not to be construed to also be a sub-contractor as defined under paragraph 3. of this definition.

“We”, “Us”, “Our” or “Allianz” means Allianz Australia Insurance limited ABN 15 000 122 850 of 2 Market Street, Sydney NSW 2000.

“You”, “Your” or “Yours” means the Named Insured named in the Schedule, or the agents or representative of the Named Insured named in the Schedule, and the parties and other entities defined in the Policy as the Insured.

Section 1 – Material damage

Definitions applicable to this Section

“**Construction Plant and Machinery**” means fixed cranes, mobile cranes, concrete mixing vehicles, earth moving equipment and other similar plant for use on land whether self-propelled or not, brought to the Contract Site for the purpose of the Insured Contract.

“**Debris**” means the residue of damaged property insured under this Section but does not mean any other property or material that is itself a pollutant or contaminant and is deposited beyond the boundaries of the Contract Site.

“**Indemnifiable Event**” means any sudden and unforeseen physical damage to, physical destruction of or physical loss of, the relevant insured property specified in the relevant Insuring clause, resulting from any cause not otherwise excluded, that occurs during the Period of Insurance.

“**Sum Insured**” means the amount(s) specified in the Schedule as the Sum Insured which will be the maximum amount that We will pay for any one loss or series of losses arising out of the one event covered by this Policy, which may be determined after consideration of any special condition or sub-limit contained either in this Section or as shown as an item in the Schedule and after deduction of the relevant Deductible.

“**Tools of Trade**” means hand held powered or non-powered trade tools brought to the Contract Site for the purpose of the Insured Contract.

The Cover

Insuring clauses

In respect of the Insured Contract only, We will indemnify the Insured in accordance with the Basis of Settlement and subject to the other Policy terms, for the following:-

1. Construction

for Contract Works against an Indemnifiable Event that occurs and is discovered both at the Contract Site and during the Construction Period.

2. Maintenance

for Contract Works against an Indemnifiable Event that occurs and is discovered both at the Contract Site and during the Maintenance Period, and which originates from:

- a. a cause arising out of the Contract Works carried out by the Insured and occurring during the Construction Period; or

- b. a cause arising out of and occurring during the operations carried out by the contractor and/or sub-contractor(s) in complying with the requirements of the maintenance clause(s) of the Insured Contract,

provided always that indemnity will end at the end of the Maintenance Period provided for in the Policy.

3. Partial Handover of the Contract Works

for Contract Works against an Indemnifiable Event that occurs and is discovered both at the Contract Site and during the Construction Period with respect to any portion of the Contract Works which have been taken over or put into use (whichever is the earlier) by the purchaser or principal, where the Indemnifiable Event solely arises out of the ongoing performance of any incomplete Contract Works.

The following covers 4, 5, 6, 7 and 8 below are only insured when there is a Sum Insured shown in the Schedule against the cover.

4. Construction Plant and Machinery

for Construction Plant and Machinery, owned by, which is the responsibility of or in the care, custody or control of the Insured, against an Indemnifiable Event that occurs and is discovered both at the Contract Site and during the Construction Period.

5. Temporary buildings and Tools of Trade

for:

- a. temporary buildings, scaffolding, hoardings, formwork or falsework;
- b. Tools of Trade owned by, or which are the responsibility of or in the care, custody or control of the Named Insured, while secured in a locked cabinet or similar security arrangement when not in use but not while on or while being removed from a waterborne craft, unless agreed and acknowledged by Endorsement,

against an Indemnifiable Event occurring and discovered both at the Contract Site and during the Construction Period.

We will not be liable under this Insuring clause 5. for any Construction Plant and Machinery, computers and software, electronic equipment, mobile phones, cranes, hoists or vehicles. Our maximum liability in respect of any one item will not exceed \$10,000.

6. Materials in transit

for materials and components intended for incorporation into the Contract Works, for an Indemnifiable Event that occurs whilst in transit within Australia to the Contract Site by road, rail or

by a licenced airline operating a regular scheduled service, beginning with the commencement of the loading in an undamaged condition, continuing through the transit and ending with the arrival and unloading at the Contract Site. We will not be liable under this insuring clause for any Indemnifiable Event:

- a. resulting from scratching or discolouration of painted, plated or polished surfaces;
- b. consisting of breakage of glass, china, porcelain or similar brittle material; or
- c. occasioned by lawful seizure or other operation or law or arising from any breach of contract agreed or obligation.

7. Materials in storage

for materials and components intended for incorporation into the Contract Works whilst in off-site storage in Australia awaiting transit to the Contract Site for a period in all not exceeding 90 days duration, an Indemnifiable Event occurring and discovered during the Construction Period.

8. Pre-Existing Property

Damage to Pre-Existing Property on or about the Contract Site that is owned by, the responsibility of or in the care, custody or control of, the Insured, provided that We will not be liable for damage to floor or wall coverings or finishes or the contents of Pre-Existing Property.

Escalation allowance

If at any time during the Construction Period the estimated final Contract Works value exceeds the Contract Works Sum Insured, then the amounts stated against Contract Works (including materials or items supplied by the principal(s)) shall be automatically proportionally increased, provided the amount of any such increase shall not exceed 15% of the Contract Works Sum Insured, or the Escalation Allowance otherwise stated in the Schedule.

Additional benefits

Consequent upon a claim being admitted under any of the above Insuring Clauses for an Indemnifiable Event in relation to insured property, We will also pay for the following Additional benefits that are applicable in relation to that insured property.

The Additional benefits 1. – 4. below are only insured when there is a Sum Insured shown in the Schedule against the benefit. Our liability for such benefits shall not exceed the respective Sums Insured stated against each in the Schedule.

1. Removal of Debris

the reasonable and necessary costs that are incurred for the demolition, removal and disposal of Debris of Contract Works and other insured property which are necessary for the restoration or repair of that property, including the cost of dewatering necessary to provide initial access consequent upon the Indemnifiable Event.

2. Professional fees

clerks of works' salaries and expenses, architects', engineers', surveyors' and consultants' fees, costs or expenses necessarily and reasonably incurred by the Insured, for the restoration or repair of any part of the insured property, but excluding any fees for the preparation of a claim or estimate of fees.

Professional fees will not exceed those authorised under the scales of the various professional institutes regulating such fees prevailing at the time of the Indemnifiable Event.

3. Expediting expenses

the necessary and reasonable costs of express delivery within Australia, overtime rates of wages, the hire of additional labour, equipment and the costs of purchasing resources to urgently restore or replace the insured property. Express delivery will include carriage by air freight within Australia by use only of licenced airline(s) operating a schedule service, but not aircraft chartered specifically for such carriage.

Expediting expenses will not include reimbursement of costs to compensate for delay in completion of the Contract Works.

4. Employees' effects

an Indemnifiable Event to the Named Insured's employees' effects at the Contract Site, but only where such effects are required to be insured by any work place agreement. Our maximum liability under this Additional benefit will not exceed the sum of \$1,000 after the application of a Deductible of \$100 for each employee making a claim.

Our liability for Additional benefits 5. – 7. will be limited to:

- a. the amount stated in the Schedule for the relevant Additional benefit; or
- b. if no amount is stated, then the amounts shown below, subject to the extent the total Sum Insured is not otherwise exhausted.

5. Mitigation costs

costs and expenses necessarily and reasonably incurred, not exceeding 10% of the Contract Works Sum Insured, to extinguish a fire at or in the vicinity of the Contract Site or threatening to involve the insured property covered or for the purpose of preventing or minimising covered damage to insured property under Your Policy occurring during the Construction Period and caused by any other circumstances You are insured for under this Section 1, including the cost to gain access to any property.

6. Temporary protection

costs and expenses necessarily and reasonably incurred, not exceeding \$20,000, in hiring and/or purchasing, erecting and removal of hoardings, barriers, fences and any other forms of physical protection the Insured must provide in order to comply with the requirements of any government or other statutory authority in order to secure the Contract Site as a consequence of the Indemnifiable Event.

7. Government fees

Any fee, contribution or other impost not exceeding \$10,000 payable to any government or other statutory authority necessarily incurred by the Insured because such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any insured property. We will not be liable for payment of any fine or penalty imposed by such authorities.

Sum(s) Insured and Total Sum Insured

Our liability under this Section 1. of the Policy will not exceed the Sum(s) Insured stated in the Schedule for the respective cover, benefit(s) or item(s) of the property insured (subject to the escalation allowance specified above for Contract Works only) and less any applicable Deductible.

Our maximum liability for any one loss or series of losses arising out of the one event covered by this Section 1. for any one Insured Contract, will never exceed in all, the Total Sum Insured specified in the Schedule, less the highest applicable Deductible.

Basis of Settlement applicable to this Section

The basis of any settlement under this Section 1 will be:

- a. in the case of covered damage which can be repaired, the cost of repairs necessary to restore the items to their condition immediately before the

occurrence of the damage less any salvage. All damage which can be repaired must be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, settlement will be made on the basis provided for in b. below; or

- b. in the case of covered damage not caught by a. above or a total loss, the actual value of the items immediately before the occurrence of the loss less any salvage,

however, only to the extent to which the costs claimed had to be borne by the Insured and to the extent to which they are included in the Sum(s) Insured.

We will not be liable to make any payment under this Policy unless the Insured has paid the required premium and produced to Our reasonable satisfaction, accounts, invoices, receipts and other documentation indicating that repairs have been effected or replacement has taken place, as the case may be.

We will not pay for:

- a. the cost of any provisional repairs unless such repairs constitute part of the final repairs and do not increase the total repair cost;
- b. the cost of any alterations, additions and/or improvements.

Application of Deductible

The amount of the Deductible will be subtracted from the amount payable by Us for each event giving rise to a claim under this Section. If a claim arises from a single event and the Insured can obtain cover under more than one benefit in this Section, the Insured will only be required to pay the highest single Deductible applicable regardless of the number of Deductibles applying to this Section.

Only for the purpose of the application of any Deductible, any loss, destruction or damage to the Contract Works or other insured property arising during any one period of seventy two consecutive hours caused by water, flood, cyclone, storm, tempest, earthquake or bush fire shall be deemed to be a single event and therefore to constitute one occurrence. The Insured may select the time from which any such period shall commence but no two such selected periods shall overlap.

Exclusions applicable to this Section

This Section does not cover:

1. Abandonment of site

any loss or damage to insured property following any cessation of work which exceeds 30 consecutive days, or immediately following abandonment.

2. Breakdown and explosion

the cost of repairing, replacing or rectifying loss or damage consisting of mechanical breakdown, electrical breakdown, electronic breakdown, malfunction, explosion, failure or derangement of any machine, boiler or pressure vessel.

3. Cash and securities

loss of or damage to cash, bank-notes, treasury notes, cheques, money-orders, stamps, deeds, bonds, bills of exchange, promissory-notes and securities.

4. Consequential loss

consequential loss, loss of use, penalties, fines, liquidated damages, or aggravated, punitive or exemplary damages.

5. Design, plan or specification

the cost of repairing, replacing or rectifying loss of or damage to Contract Works or other insured property caused by or arising out of a fault, defect, error or omission in design, plan or specification of the Contract Works or property. However, to the extent the damage is otherwise covered by this Policy, We will pay the cost of loss or damage caused directly by such fault, defect, error or omission in design, plan or specification, less the cost which would have been incurred in repairing, replacing or rectifying the fault, defect, error or omission in design, plan or specification immediately prior to the loss or damage occurring.

6. Dewatering

loss or damage due to failure of a dewatering system if such failure could have been avoided by sufficient stand-by facilities.

7. Electronic Data

loss or damage of whatsoever kind arising directly or indirectly out of:

- a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- b. error in creating, amending, entering, deleting or using Electronic Data;
- c. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
- d. any business interruption losses resulting therefrom,

regardless of any other contributing cause or event whenever it may occur, unless such loss or damage

is a direct consequence of otherwise insured physical damage and provided that reinstatement of data media and/or business interruption is insured by this policy.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

Any terrorism exclusion that applies to this Policy prevails over this exclusion.

8. Gradual deterioration

the cost of rectifying corrosion, erosion, wasting, wearing away, abrasion, oxidation, or other gradual deterioration including that caused by atmospheric conditions.

9. Insects, corrosion, pollution or contamination

loss or damage caused directly or indirectly by or in connection with or arising from or occasioned through:

- a. the actions of moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in texture or finish;
- b. pollution or contamination, smoke or smut from industrial operations.

10. Internal finishes

loss or damage to internal finishes being carpets, wall panels, ceiling panels, ceiling tiles or lining board and associated finishes by water unless the Contract Works or other insured property has been weatherproofed to the extent that all windows, glazing, external walls, roof and floor openings have been sealed against ingress of water prior to the installation of such internal finishes.

11. Inventory shortage

loss of or damage discovered only at the time an inventory is taken.

12. Materials or workmanship

the cost of repairing, replacing or rectifying loss of or damage to Contract Works or other insured property caused by or arising out of a fault, defect, error or

omission in material or workmanship of the Contract Works or insured property. However, to the extent the damage is otherwise covered by this Policy, We will pay the cost of loss or damage caused directly by such fault, defect, error or omission less the cost which would have been incurred in repairing, replacing or rectifying the fault, defect, error or omission in material or workmanship immediately prior to the covered loss or damage occurring.

13. Construction Plant and Machinery, employees effects, temporary buildings and Tools of Trade

loss or damage to Construction Plant and Machinery, employees' effects, temporary buildings, scaffolding, hoardings, formwork or falsework, Tools of Trade and other equipment not forming part of the Contract Works:

- a. due to foreign matter being maliciously placed in the above property whilst it is left unattended, if such loss or damage could have been avoided had locking devices to the fuel, lubrication and hydraulic systems been installed and activated;
- b. due to wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions;
- c. occurring whilst any insured item is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- d. resulting from partial or total immersion in water due to tidal movement;
- e. whilst underground unless otherwise agreed by Endorsement;
- f. that is a tyre or wheel rim and caused by the application of brakes, road punctures, cuts and bursts;
- g. that is a mobile phone or CB radio.

14. Upkeep

the cost of normal upkeep or routine making good.

15. Vegetation

loss or damage to vegetation which forms part of the insured property and which arises directly or indirectly from disease, lack of water, excess of water, replanting operations or transportation operations.

16. Vehicles or trailers

loss or damage to vehicles or trailers licenced for general road use unless these vehicles are used

exclusively at the Contract Site in direct connection with the Contract Works and are listed under Insuring clause 4.

17. Watercraft or aircraft

loss or damage to waterborne vessels and craft, aircraft and other aerial devices.

Conditions applicable to this Section

1. Adequacy of Sum Insured

The Sums Insured stated in the Schedule must not during the Period of Insurance be less than:

- a. for Contract Works, the expected combined maximum value of the contract price and principal supplied materials or items of the Insured Contract;
- b. for Pre-Existing Property located on or adjacent to the Contract Site, the replacement value;
- c. for items of plant, equipment, Tools of Trade, Construction Plant and Machinery used on or about the Contract Site, the market value immediately before the commencement of the Construction Period.

If in the event of damage it is found that the Sums Insured are less than eighty five (85) percent of the amounts required to be insured pursuant to this Condition, the amount recoverable by the Insured under the Policy in respect of the item will be reduced by such proportion as the Sum Insured (after taking into account the Escalation Allowance) bears to eighty five (85) percent of the amounts required to be insured. Every object and cost the subject of this condition will be separately subject to this condition.

However, this condition shall not apply if the amount of the damage does not exceed five (5) percent of the value of the item insured.

2. Excavation and underpinning

Any excavation and underpinning work is to be carried out in strict accordance with the plans and specifications for such work and under the directions of the design engineer.

3. Partial handover of Contract Works

If the whole or part of the Contract Works insured by this Policy is taken over, occupied, or put into use by the Insured or others prior to completion, We will not be liable for loss or damage to:

- a. the property of the occupant(s) or users;
- b. the part of the Contract Works taken over, occupied or put into use;

c. the property of third parties,
arising from the taking over, occupying or putting into use of any part of the Contract Works, unless We have expressly agreed by Endorsement of this Policy and the Insured pays any additional premium We may require.

4. Reinstatement of Sum Insured

In the event of damage insured under Section 1 to insured property, the amount by which the Sum Insured is reduced in consequence of the damage will be automatically reinstated as from the date of the event provided that:

- a. there is no written request from the Insured or written notice from Us to the contrary;
- b. the Insured pays the premium which We require for the reinstatement.

Section 2 – Third Party Liability

Definitions applicable to this Section

“**Aircraft**” means any vessel, craft or device made or intended to fly or move in or through the atmosphere or space.

“**Completed Works**” means anything (after it has ceased to be in the Insured’s physical possession or under the Insured’s control) manufactured or deemed to have been manufactured, constructed, grown, extracted, produced, processed, assembled, erected, installed, repaired, serviced, treated, sold, supplied (including services) or distributed by the Insured including any container (other than a Vehicle).

“**Employment Practices**” means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment by the Insured.

“**Hovercraft**” means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

“**Incidental Contracts**” means:

- a. any written rental agreement or lease of real property which does not impose on the Insured:
 - (i) an obligation to insure such property; or
 - (ii) any liability regardless of fault;
- b. any written contract with any public authority for the supply of water, gas or electricity, but only to the extent of indemnifying any such authority in respect of liability arising out of the Insured Contract and excepting contracts for the performance of work or provision of services by the Insured.

“**Limit of Liability**” means the amount stated in the Schedule. This is the maximum amount We will pay in respect of any one Occurrence. The Limit of Liability is inclusive of and not additional to any applicable Deductible.

“**Medical Persons**” means legally qualified medical practitioners, legally qualified, enrolled and registered nurses, dentists and first aid attendants.

“**Mobile Plant**” means a Vehicle which has any tool or plant forming part of or attached to or used in connection with it while such tool or plant is in operation for the purpose of the Insured Contract, but does not include:

- a. Vehicles while in transit to or from or within any place of work; or
- b. Vehicles used for transport or haulage.

“**Occurrence**” means an event, or series of events consequent upon or attributable to one source or originating cause, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage and which is neither expected or intended by the Insured.

“**Personal Injury**” means:

- a. bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury;
- b. (i) false arrest, wrongful detention, false imprisonment, malicious prosecution;
- (ii) libel, slander or defamation of character;
- (iii) wrongful entry or wrongful eviction or other invasion of the right to private occupancy;
- (iv) assault and battery,

which occurs during the Period of Insurance.

“**Pollutants**” means any solid, liquid or gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

“**Property Damage**” means:

- a. physical damage to, physical loss of or physical destruction of tangible property, but not any of the Contract Works or items of property that form part of the Contract Works or other property covered under Section 1, that occurs during the Period of Insurance including any resultant loss of use; or
- b. loss of use of tangible property that has not been physically damaged, physically lost or physically destroyed, but not any of the Contract Works or items of property that form part of the Contract Works or other property covered under Section 1, provided such loss of use is caused by physical damage to, physical loss of or physical destruction of other tangible property that occurs during the Period of Insurance.

“**Territorial Limits**” means anywhere within Australia or its external territories.

“**Vehicle**” means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.

“**Watercraft**” means any vessel, craft or thing (other than a Hovercraft) made or intended to float on or in or travel on or through water.

“**Worker**” means any person employed by the Insured or deemed to be employed by the Insured pursuant to any law.

“**Workers’ Compensation Law**” means any law relating to compensation for injury to Workers or employees.

The Cover

Insuring clause

We will indemnify the Insured for all amounts which the Insured becomes legally liable to pay as compensation for Personal Injury and/or Property Damage occurring within the Territorial Limits as a result of an Occurrence in connection with the Insured Contract described in the Schedule, up to the Limit of Liability.

Limit of Liability

Our total liability to pay compensation shall not exceed the sum stated in the Schedule in respect of any one Occurrence.

Defence Costs

We will, in addition to the indemnity described above, pay:

1. all charges, expenses and legal costs incurred by Us and/or by the Insured with Our prior written consent in the investigation, reporting, settlement or defence of any claim for compensation in respect of which the Insured are entitled to indemnity under this Policy or if sustained would be so entitled;
2. all legal costs taxed against the Insured in any such suit or claim and all interest on the judgment or settlement amount accruing after the entry of judgment or settlement against the Insured until We have paid, tendered or deposited in court as such part of the judgment as does not exceed the Limit of Liability; and
3. all expenses incurred by the Insured for first aid to others at the time of an Occurrence for Personal Injury to which this Policy applies (except to the extent that provision of such cover would breach any relevant legislation, including but not limited to the Private Health Insurance Act 2007),

hereinafter called “Defence Costs”.

Provided that:

4. We shall not be obliged to pay any claim or judgment or to defend any suit after Our Limit of Liability has been exhausted by payment of judgments or settlements;

5. If a payment exceeding Our Limit of Liability has to be made to dispose of a claim, Our liability to pay any Defence Costs in connection therewith shall be limited to such proportion of the said Defence costs as the Limits of Liability bear to the amount paid to dispose of the claim.

Deductible

The amount of Deductible shown in the Schedule shall be subtracted from the amount payable by Us for each and every Occurrence, other than as provided for below in respect of Personal Injury to contractors and/or sub-contractors or their employees.

Injury to Contractors and/or Sub-Contractors or their Employees

The Insured shall bear the amount specified in the Schedule as the contractors and/or sub-contractors Deductible, being the first payment for each and every Occurrence (inclusive of Defence Costs) in respect of liability arising out of Personal Injury to contractors and/or sub-contractors or their employees at, on or adjacent to the Contract Site.

Endorsements applicable to this Section

The following Endorsements apply only when indicated on the Insured's current Schedule. They should be read in conjunction with the Insured's Policy document and Schedule.

Endorsement A. – Inclusion of vibration, removal and/or weakening of support cover

Exclusion 18. headed "Vibration, removal and/or weakening of support" is deleted.

This Section is extended to cover the Insured for legal liability to pay compensation for Personal Injury or Property Damage occurring at the Contract Site and during the Period of Insurance as a result of an Occurrence arising out of the underpinning, shoring, dewatering, subsidence, collapse, vibration or the removal or weakening and/or interference with support to land, buildings or any other property in connection with the Insured Contract.

Endorsement B. – Pre-Existing Property held in trust, care, custody or control

Exclusion 14. headed Property in physical or legal control, shall not apply to liability for Property Damage to Pre-Existing Property at the Contract Site and their contents held in the Named Insured's trust, care, custody or control and belonging to the principal or owner, arising out of an Occurrence in the course of the Contract Works at the Contract Site.

For the purpose of this Endorsement, Pre-Existing Property means any building, framework or structure including all permanent attachments upon which the Contract Works or any portion of the Contract Works is being performed, but does not mean pathways, driveways, outside paving or fencing.

Exclusions applicable to this Section

This Section does not cover any actual or alleged liability:

1. Aircraft, Hovercraft and Watercraft

directly or indirectly arising out of or in any way connected with the ownership, possession, maintenance, repair, operation or use by the Insured or on the Insured's behalf, of any:

- a. Aircraft or Hovercraft; or
- b. Watercraft (the hull of which exceeds eight metres in length).

2. Asbestos

directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

3. Assault and battery

directly or indirectly arising out of or in any connected with assault and/or battery committed by the Insured or at the Insured's direction.

This exclusion does not apply when such assault and/or battery is committed for the purpose of preventing or eliminating danger to persons or property.

4. Completed Works liability

for any Personal Injury or Property Damage arising out of or in connection with Completed Works.

5. Contractual liability

assumed under any contract or agreement, provided that this does not apply to:

- a. liability that would have been implied by law in the absence of such contract or agreement;
- b. liability assumed by the Insured under a warranty of fitness or quality regarding Completed Works;
- c. liability assumed under Incidental Contracts.

6. Defamation, libel and slander

directly or indirectly arising out of or in any connected with, the publication or utterance of any libelous, slanderous, defamatory or disparaging material:

- a. made prior to the commencement of the Period of Insurance;
- b. made at the Insured's direction or with the Insured's authority and with knowledge of its falsity;
- c. related to advertising, broadcasting, telecasting or publishing activities conducted by the Insured or on the Insured's behalf.

7. Employer's liability

- a. for Personal Injury to any Worker, if the Insured is required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such Personal Injury; or
- b. imposed by:
 - (i) any Workers' Compensation Law;
 - (ii) the provision of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award, agreement or determination;
- c. any law relating to Employment Practices.

8. Faulty workmanship

for the costs or expenses incurred in performing, completing, correcting or improving any work or service undertaken or provided by the Insured or on the Insured's behalf.

9. Information technology risk

arising directly or indirectly out of or in any way connected with the Insured's Internet Operations.

This exclusion does not apply to liability otherwise covered by this Policy which would have arisen irrespective of the Insured's Internet Operations.

Internet Operations includes but is not limited to, the following:

- a. use of electronic mail systems by the Insured or the Insured's employees, including part-time and temporary staff, and others acting on the Insured's behalf;
- b. access through the Insured's network to the world wide web or a public internet site by the Insured or the Insured's employees, including part-time and temporary staff, and others acting on the Insured's behalf;

- c. access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for the Insured's customers or others outside the Insured's organisation; or
- d. the operation and maintenance of the Insured's website.

Nothing in this exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence of this exclusion.

10. Loss of use

for loss of the use of tangible property (not having been physically damaged or destroyed) directly or indirectly arising out of or in any way connected with a delay in or lack of performance by the Insured or on the Insured's behalf in relation to any contract or agreement.

11. Penalties, liquidated damages, punitive, exemplary, aggravated and/or multiple damages

for fines or penalties imposed by law or liquidated damages or punitive, exemplary, aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages.

12. Pollution

directly or indirectly arising out of or in any way connected with:

- a. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants, provided that this exclusion 12.a. will not apply to liability for Personal Injury or Property Damage where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected happening which takes place in its entirety at a specific time and place;
- b. testing, monitoring, clean-up, removal, containment, treatment, detoxifying or neutralising of Pollutants whether or not any of the foregoing are or should be performed by the Insured or by others; or
- c. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants in the United States of America or Canada or any country to which the laws of the United States of America or Canada apply.

13. Professional liability

directly or indirectly arising out of or in any way connected with the provision by the Insured or on

the Insured's behalf, of professional advice or service or any error or omission connected therewith.

Provided that this exclusion does not apply to the rendering of or failure to render medical advice by Medical Persons employed by the Insured to provide first aid and other medical services at the Contract Site.

14. Property in physical or legal control

for Property Damage to property owned by or leased or rented to the Insured or property in the Insured's physical or legal control.

Provided that this exclusion will not apply to liability for Property Damage to buildings, including their contents, not owned, leased or rented to the Named Insured but temporarily occupied by the Named Insured for the purpose of carrying out work in connection with the Insured Contract, but We will not pay for Property Damage to that part of the property on which the Named Insured are or have been working which arises out of such work.

15. Smoking

for any Personal Injury directly or indirectly arising out of or in any way connected with, the inhalation or ingestion of or exposure to:

- a. tobacco or tobacco smoke; or
- b. any ingredient or additive present in any articles, items or goods which contain or include tobacco.

16. Underground services

for any Property Damage to underground property and services unless, prior to the commencement of work, the Insured has inquired with the relevant authorities or owners of such underground property and services as to their exact location, traced their existence and indicated their locations in-situ.

The Insured will be responsible for the first \$1,000 or the amount stated in the Schedule (whichever is the greater) of Property Damage to underground property and services per Occurrence.

17. Vehicles

directly or indirectly arising out of or in any way connected with, the ownership, possession, operation, use or legal control by the Insured or on the Insured's behalf of any Vehicle:

- a. which is registered or is required under any legislation to be registered.

This exclusion will not apply to:

- (i) liability for Personal Injury or Property Damage arising beyond the limits of any carriageway or thoroughfare or caused by the loading or unloading of any Vehicle or trailer on or adjacent to the Contract Site where the Vehicle is used exclusively for the Insured Contract;
 - (ii) liability for Personal Injury and/or Property Damage arising from the use of any Vehicle as Mobile Plant;
- b. where such liability is required by virtue of any legislation to be insured under a compensation scheme or policy of bodily injury insurance.

18. Vibration, removal and/or weakening of support

for Personal Injury or Property Damage directly or indirectly arising out of or in any way connected with underpinning, shoring, dewatering, subsidence, collapse, vibration or the removal or weakening and/or interference with support to land, buildings or any other property.

Provided that this exclusion does not apply to an Occurrence in connection with excavation or underpinning work relating to the Insured Contract where:

- a. such work is undertaken in strict accordance with the plans and specifications for such work and at the direction of the design engineer;
- b. any surrounding structure that could be affected by such excavation or underpinning work have, prior to commencement of the such works, a 'Conditions Report' or a 'Dilapidation Report' produced on the existing condition of such surrounding structures.

Conditions applicable to this Section

1. Cross liability

Where the Insured is comprised of more than one entity, the term "the Insured" will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, provided that Our Limit of Liability and liability to make Defence Costs will apply as though there were not separate policies issued to each entity.

2. Discharge of liabilities

We may at any time pay the Insured or on the Insured's behalf in respect of all claims against the Insured:

- a. the amount of the Limit of Liability (after deduction of any sum or sums already paid by Us); or
- b. any lesser sum for which the claim or claims may be settled.

Upon such payment We will relinquish conduct or control of the defence of all claims against the Insured and be under no further liability under the Insured's Policy in connection with such claim or claims.

Provided that We will pay for costs, charges and expenses recoverable from the Insured in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by Us or by the Insured with Our written consent prior to the date of such payment.

General Exclusions applicable to all Sections of this Policy

1. This Policy does not cover any loss, damage, destruction or liability caused by or in any way connected with:

- a. **War**

any war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

- b. **Nuclear**

ionising radiation or contamination by radioactivity from:

- (i) any nuclear fuel or from any nuclear waste; or
- (ii) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission); or
- (iii) nuclear weapons material;

- c. **Lawful seizure**

the lawful seizure, detention, confiscation, nationalisation or requisition of the insured property;

- d. **Wilful acts**

any actual or alleged:

- (i) dishonest, fraudulent, criminal or malicious act; or
- (ii) wilful breach of any statute, contract or duty; or
- (iii) conduct intended to cause loss or damage or with reckless disregard for the consequences,

carried out by the Insured or any person acting with the Insured's knowledge, consent or connivance;

- e. **Territorial limits**

occurrences outside the Commonwealth of Australia except as specifically stated otherwise in the Policy.

2. Except as specifically provided otherwise this Policy does not cover:
 - a. consequential loss of any kind, including penalties, losses due to delay, lack or performance, loss of contract;
 - b. legal liability to pay compensation or damages;
 - c. damage caused by faults or defects known to the Insured or any employee or representative whose knowledge in law would be deemed to be the Insured's and not disclosed to Us at the time this Policy was entered into.
3. This Policy does not cover loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).
4. This Policy does not cover loss or distortion caused by computer virus being an executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained and which destroys or alters the host programme or other code or data causing undesirable programme or computer system operation.
5. **Terrorism**
This Policy does not indemnify the Insured for death, injury, illness, loss, cost or expense directly or indirectly caused by, contributed to by, resulting

from or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a. involves violence against one or more persons; or
- b. involves damage to property; or
- c. endangers life other than that of the person committing the action; or
- d. creates a risk to health or safety of the public or a section of the public; or
- e. is designed to interfere with or to disrupt an electronic system.

This Policy also excludes death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

Claims procedures

What the Insured must do

1. Do not admit liability

The Insured must not admit liability for, or offer or agree to settle any claim without Our prior written consent.

We are entitled to take over and conduct the defence of any claim made against the Insured for damages by a third party. We have full discretion in conducting and negotiations, proceedings and the settlement of any claims.

If the claim is for legal liability, the Insured may make a written request to Us to agree that the Insured is covered in respect of the claim.

2. Contact Us as soon as possible

If there is any loss, damage or liability which is likely to result in a claim, the Insured must give Us immediate notice with the full details of any loss, damage or anticipated or alleged liability.

The Insured or the Insured's representative must give Us full details in the manner We request which will be either verbally or in writing by completing Our claim form which will be supplied to the Insured when the Insured contacts Us. The process for authorising repairs is explained under "Authorising repairs and settlement".

Any correspondence the Insured receives regarding the loss, damage or alleged liability must be sent to Us immediately. The Insured must advise Us immediately of:

- a. any notice of writ, summons, or full details of other relevant legal proceedings or impending prosecution;
- b. details of any inquest or official enquiry.

3. Contact the police

Immediately inform the police of any malicious damage, theft, attempted theft or loss of property.

4. Other insurance

Following any claim being made under this Policy, the Insured must notify Us of any other insurance covering the same loss or damage of which the Insured is aware.

5. Prevent further damage and emergency repairs

The Insured must take all reasonable precautions to prevent any further loss, damage or liability and as far as possible, preserve any damaged insured property or other items which might prove necessary or useful as evidence until We have had an opportunity for inspection.

Upon notification of any loss or damage being given to Us, the Insured may carry out repairs or make good minor damage, but in all other cases the Insured must give Us, Our employees or agents an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by or on our behalf within a reasonable time having regard to the location of the risk, weather conditions and any other relevant factors, the Insured may proceed with such repairs or make good.

We will not pay for any additional damage to any item caused by the failure to repair that item properly and without delay.

What happens after the Insured makes a claim

1. Authorising repairs and settlement

- a. Where the Insured has suffered loss or damage to Contract Works or other insured property the Insured may only authorise emergency repairs as detailed above;
- b. Before We make a decision regarding the Insured's claim We may need to inspect the premises. We, or anybody We appoint may:
 - (i) enter, take or keep possession of the buildings or structures where loss or damage has happened;
 - (ii) take or keep possession of the insured property for the purposes of Our investigations; and
 - (iii) if We accept liability for the loss or damage, sell such insured property or dispose of it in a reasonable manner.

However, the Insured is not entitled to abandon such insured property to Us. If We enter, take or keep possession of the property it will not be an admission of liability nor will it affect any of the Insured's obligations under this Policy;

- c. if We elect or become bound to reinstate or replace any insured property, the Insured must at the Insured's own expense produce and give Us all such plans, documents, books and information as We may reasonably require;
- d. We will not be bound to reinstate exactly or completely, but only in a reasonable manner given the circumstances. In no case will We be bound to pay, in respect of any of the insured property, more than the Sum Insured or Limit of Liability specified in the Schedule;
- e. We may pay the Insured the Sum Insured or Limit of Liability under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After We have paid the Insured, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time We agreed to pay.

2. Recovery of lost or damaged insured property

If the Insured recovers or finds lost or stolen insured property for which We have paid a claim, the Insured must tell Us immediately and if We request the Insured to do so, give us the recovered property.

3. Assist Us with the claim

The Insured must assist Us with the claim. This means give Us all the information and assistance with the claim which We may reasonably require and comply with all the terms of the Policy including these Claims procedures. If the Insured does not, We may not pay the Insured's claim or provide cover.

If the Insured has any right to recover any amount payable under the Policy from any other person, the Insured must co-operate with Us in any action We take.

4. Our rights of recovery

We have the right to recover from any person against whom the Insured may be able to claim any money paid by Us. The amount recovered will be applied first to reducing the amount by which the Insured's loss exceeds the payment made by Us plus any Deductible applied. Any balance remaining after the Insured has been fully compensated for the Insured's loss, up to the amount We have paid to the Insured to settle the Insured's claim (including Our legal fees for recovery), will be retained by Us.

In the event of Us making payment to any of the entities making up the Insured, We shall not exercise any rights of subrogation against any other of the entities making up the Insured hereunder other than those noted under paragraph 7. and 8. of the Definition of "the Insured".

General Conditions applicable to all Sections of this Policy

1. Our right of inspection

We will at any reasonable time have the right to inspect and examine any Contract Site and any other location, article, insured property, Construction Plant and Machinery and equipment associated directly or indirectly with the risk and the Insured must provide to Us any documents or information We may require.

2. Cancellation

The Policy may be cancelled:

- a. at any time at the Named Insured's written request to Us;
- b. by Us in the event of the Insured:
 - (i) failing to comply with the duty of utmost good faith; or

- (ii) failing to comply with the duty of disclosure at the time the contract of insurance was entered into; or
- (iii) failing to comply with a provision of the Policy including one in respect of payment of the premium; or
- (iv) making a misrepresentation to Us during negotiations for the contract of insurance but before it was entered into; or
- (iv) making a fraudulent claim under this Policy or any other contract of insurance (whether with Us or some other insurer) that provides insurance cover on Contract Works indemnifiable under this Policy during any part of the period during which this Policy provides insurance cover; or
- (vi) failure to notify Us of any specific act or omission where such notification is required under the Policy; or
- (vii) acting in contravention of or omitting to act in compliance with any condition of the Policy which empowers Us to refuse to pay, or reduce liability in respect of a claim in the event of such contravention or omission.

In the event of cancellation by Us, We will give notice to the Named Insured. Such notice will be effective from 4 p.m. on the third day after the day that notice is given to the Named Insured.

- c. If the Named Insured or We cancel the Policy We may deduct a pro-rata proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy and any government taxes or duties We cannot recover.

In the event of cancellation of this Policy, all cover under this Policy will cease from the date of cancellation.

3. Governing law and jurisdiction

This Policy is governed by the laws of Australia. Any dispute relating to this Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the Policy was issued.

4. Interests of other parties

- a. Under Section 1, the insurable interest of only those lessors, financiers, trustees, mortgagees and owners having a legal interest or charge over the insured property and who are specifically noted in the Insured's records, shall

be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of damage. Any other parties not in this category or not named in the Policy or Schedule are not covered and cannot make a claim under any Section of the Policy. All third party beneficiaries must comply with the terms and conditions of the Policy;

- b. Where the protection provided by this Policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties:
 - (i) subject to General exclusion 1.d. Wilful acts;
 - (ii) provided the remaining parties must, immediately on becoming aware of any act or omission that increases the risk of loss, damage or liability, give notice in writing to Us and on demand pay any reasonable additional premium We may require; and
 - (iii) other than in relation to any Policy Sum(s) Insured and limits, unless specified otherwise.

5. The Insured's representative – authorisation

By entering into this Policy, the Insured agrees that the person representing the Insured when completing the application is authorised to give and receive information on the Insured's behalf in relation to all matters arising under this Policy and in accordance with the Insurance Contracts Act 1984.

6. Provisional premium

A provisional premium must be paid. The provisional premium shall be a deposit and shall be calculated by applying the agreed rate to one hundred (100) per cent (unless otherwise agreed) of the estimated Contract Works value to be insured under this Policy and shall be adjusted as shown below.

7. Premium adjustment

The premium for this Policy has been calculated on estimates given by the Insured. The Insured must keep accurate records containing all relevant particulars and at any reasonable time allow Us to inspect such records.

The Insured must within one month from the expiry of the Construction Period declare to Us the final contract price of the Contract Works. If the final

contract price is more or less than the Sum Insured for Contract Works as noted on the Schedule, the premium will be adjusted by Us and the Insured will pay or receive a refund as the case may be, subject to any Policy terms to the contrary.

Provided always that where no minimum premium has been agreed, We shall not be called upon to refund more than twenty five (25) per cent of one hundred (100) percent of the provisional premium calculated.

8. Alteration to risk

If the Insured becomes aware of any changes to the facts or circumstances which existed when this insurance commenced that change the nature of the risk (for example, the nature of the Insured Contract or Contract Works, or other circumstances that affect the Contract Site or insured property in a way that would increase the risk of loss or damage), the Insured must notify Us in writing. If We agree to the change We will do so in writing and the Insured must pay Us any additional premium We require.

9. Reasonable care and maintenance

The Insured must take all reasonable care to:

- a. prevent loss, damage or legal liability;
- b. maintain the insured property in sound condition, in particular to minimise or avoid theft, loss, damage or liability;
- c. comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- d. minimise any loss or damage; and
- e. only employ competent employees and ensure they adhere to the requirements specified in a. – d. above.

10. Storage of hazardous goods

Hazardous goods stored at the Contract Site by any person as part of that person's trade or profession must be stored in quantities and in a manner permitted by relevant laws or regulations.

11. Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss, damage or liability if the Insured agrees or has agreed to limit or exclude any right of recovery against any third party who would be liable to compensate the Insured with respect to that loss, damage or liability.

For all enquiries please call your insurance intermediary

allianz.com.au

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