

Annual Construction/ Liability

QBE Insurance (Australia) Limited

Construction Insurance Policy



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About this booklet

There are two parts to this booklet. The first part is Important Information about this Policy including information about how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

The second part is your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because we don't know your own personal circumstances, you should treat any advice in this booklet as purely general in nature. It doesn't consider your objectives, financial situation or needs. You should carefully consider the information provided with regard to your personal circumstances to decide if it's right for you.

For more information or to make a claim

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- your financial services provider. The contact details for your financial services provider are set out in the documentation they give you.

The section titled 'Claims' at the end of this booklet tells you the full details about what you need to do in the event of a claim. If you'd like to make a claim or to enquire about an existing claim please contact:

- your financial services provider.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers in the world.

Important Information

In this first part of the booklet we explain important information about this Policy including how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

Duty of disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 - Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 - Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 - Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Financial Ombudsman Service Australia (FOS Australia). FOS Australia is an ASIC approved external dispute resolution body.

FOS Australia resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by FOS Australia's decisions - but you're not. You can contact FOS Australia directly and they'll advise you if your dispute falls within their Terms of Reference.

Disputes not covered by the FOS Australia Terms of Reference

If your dispute doesn't fall within the FOS Australia Terms of Reference, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE Customer Care, FOS or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> • complaints@qbe.com, to make a complaint. • privacy@qbe.com, to contact us about privacy or your personal information. • customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, PARRAMATTA NSW 2124

How to contact FOS Australia

Phone	1800 367 287 (Monday to Friday from 9am to 5pm, Melbourne time, except on public holidays)
Email	info@fos.org.au
Online	www.fos.org.au

How to contact the OAIC

Phone	1300 363 992 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Cooling-off information

If you change your mind within 21 days of buying your Policy, you can cancel it and receive a full refund. Naturally, this doesn't apply if you've made or are entitled to make a claim. Even after the cooling off period ends, you still have the right to cancel your Policy. However, we may deduct some costs from any refund, as set out in the Policy Wording under 'Cancelling your Policy'.

To cancel your Policy within the cooling-off period, contact your financial services provider electronically or in writing.

Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.

Our agreement

Your Policy is an agreement between you and us, made up of:

- This Policy Wording
- Your Policy Schedule, which sets out the cover you've chosen and any terms specific to you.

The cover under this Policy is provided during the period of insurance, once you've paid us your premium. There are also:

- Conditions and exclusions which apply to specific covers or sections;
- General exclusions, which apply to any claim you make under this Policy;
- General conditions, which set out your responsibilities under this Policy;
- Claims conditions, which set out our rights and your responsibilities when you make a claim; and
- Other terms, which set out how this Policy operates.

Excesses

You must pay any excesses which apply to your claim. The excesses which you have to pay are set out in this Policy Wording or on your Policy Schedule.

How much we'll pay

The most we'll pay for a claim is the sum insured which applies to the cover or section you're claiming under, less any excess.

Paying your premium

You can pay your premium by one annual payment or by Premium Funding if applicable.

You must pay your premium by the due date. If we don't receive your premium by the date, or if your payment is dishonoured, this Policy won't operate and there will be no cover.

Words with special meanings

The words and terms used throughout this Policy have special meanings set out below.

Where other words and terms are only used in one section of the Policy, we'll describe their special meaning in that section.

When we say	We mean
Act of terrorism	an act including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public or any section of the public in fear.
Business	office and/or workshop activities, contract site visits and associated operations in addition to and in connection with the contract(s) described in the schedule and including the ownership and tenancy of premises, the provision of management of canteen, social, sports, welfare or child care organisations for your employees and internal first aid, fire and ambulance services.

When we say	We mean
Condition report	a written report with photographs detailing the condition and structural integrity of any building, framework, structure or land surrounding or that could be affected by any excavation or underpinning work on the contract site. The condition report must be completed by a consulting engineer who specialises in condition reports.
Construction period	<p>(a) Contracts commencing basis</p> <p>the period commencing on</p> <p>(i) the date of possession of each contract site by you; or</p> <p>(ii) the commencement date of the contract works, provided such date is within the period of insurance specified in the schedule</p> <p>and ends</p> <p>(iii) at the time of practical completion of the contract works (including up to 14 days in excess of practical completion); or</p> <p>(iv) on the date those completed portions of the contract works are taken over, occupied or put into use,</p> <p>whichever occurs first and (where specified in the schedule) inclusive of the completion of any relevant testing and commissioning period.</p> <p>Provided always that the construction period is subject to the maximum period specified in the schedule for each contract;</p> <p>or, when specified in the schedule as transfer basis:</p> <p>(b) Transfer basis</p> <p>the period commencing on</p> <p>(i) the date of possession of each contract site by you or the commencement date of the contract works; or</p> <p>(ii) the commencement date of the period of insurance specified in the schedule;</p> <p>whichever is the later, and ends</p> <p>(iii) at the time of practical completion of the contract works (including up to 14 days in excess of practical completion); or</p> <p>(iv) on the date those completed portions of the contract works are taken over, occupied or put into use,</p> <p>whichever occurs first and (where specified in the schedule) inclusive of the completion of any relevant testing and commissioning period.</p> <p>Provided always the construction period is subject to the maximum period specified in the schedule for each contract and terminates on the expiry of the period of insurance.</p>

When we say	We mean
Contract	the type of construction contract(s) as undertaken and specified in the schedule.
Contract site	the location(s) where any work is performed by you for, on or in connection with the 'contract works' within the geographical scope.
Contract works	the whole of the works relating to the contract whether permanent or temporary including all materials incorporated or to be incorporated therein including all formwork, falsework, site buildings, scaffolding, security fencing and hoardings belonging to you or in your care, custody or control for the performance of the contract(s).
Electronic data	any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.
Existing structure	any building, framework or structure including all permanent attachments, but does not include pathways, driveways, outside paving or fencing.
Maintenance period	<p>the period described in any contract during which you are legally obliged to rectify defects, shrinkages, errors, omissions or other faults and/or complete your obligations under such contract.</p> <p>Based on the construction period specified in the schedule, either:</p> <p>(a) Contracts commencing basis</p> <p>The period commencing at the end of the construction period and subject to the maximum maintenance period specified in the schedule; or</p> <p>(b) Transfer basis</p> <p>The period commencing at the end of the construction period and ending on the expiry of the period of insurance.</p>
Period of insurance	the duration of this Policy as specified in the schedule incorporated into the Policy and any renewal thereof.
Policy	includes this policy wording, your policy schedule and any future documents issued to you which amends the policy wording or policy schedule.
Practical completion	<p>the earlier of</p> <p>(a) when the contract works has been completed except for minor omissions and minor defects which do not prevent the contract works from being capable of being occupied or put into use; or</p> <p>(b) when the certificate of practical completion is issued.</p>
Schedule, Policy Schedule	the schedule or any endorsement thereto issued by us.

When we say	We mean
Testing and commissioning period	<p>commences when live load is introduced, including the use of gas, electricity, water, utilities, feedstock or other materials for processing or other media to simulate working conditions and ends:</p> <p>(a) at the completion of testing and commissioning under the contract; or</p> <p>(b) at the expiration of the maximum testing and commissioning period; or</p> <p>(c) at the expiration of the construction period specified in the schedule for each contract</p> <p>whichever occurs first.</p> <p>Simple functional testing without the application of live load or simple functional checks of components of individual machines which do not involve any loading are not considered part of the testing and commissioning period.</p>
Turnover	<p>Based on the construction period specified in the schedule, either:</p> <p>(a) Contracts commencing basis:</p> <p>the total value of all contracts (excluding GST) commenced including all materials components and principal supplied items on contracts indemnifiable under this Policy during the period of insurance; or</p> <p>(b) Transfer basis</p> <p>the total expended value of all contracts (excluding GST), including all materials components and principal supplied items on contracts indemnifiable under this Policy, during the period of insurance.</p>
Vehicle	any type of machine on wheels or self laid track made 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.
We, our, us	QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.
You, your, insured	<p>(a) the person(s), companies or firms specified in the schedule as 'you/your/insured'.</p> <p>In addition to (a) and in respect to Section 2 Legal liability:</p> <p>(b) all subsidiary companies (now or subsequently constituted) of the insured provided their places of incorporation are within Australia and whose business fall within the definition of the insured's business,</p> <p>(c) any director, executive officer, employee, partner or shareholder of the insured designated in paragraphs (a) or (b) but only whilst acting within the scope of their duties in such capacity,</p> <p>(d) any principal in respect of the liability for the acts or omissions of the parties shown in paragraphs (a) and (b) above in the performance by them of work for that principal,</p>

When we say	We mean
	but subject always to the extent of coverage and the limit of liability provided by this Policy,
(e)	any officer bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with the consent of the insured parties shown in paragraphs (a), (b) and (c) in respect of claims arising from their duties connected with the activities of any such club, organisation or service,
(f)	each partner, joint venturer, co-venture or joint lessee of the insured designated in paragraphs (a) or (b) but only:
(g)	where the terms of the partnership, joint or co-venture agreements or lease require the insured designated in paragraphs (a) or (b) to arrange insurance;
(h)	with respect to liability incurred as the partnership, joint venture, co-venture, joint leases; and provided the partnership, joint venture, co-venture, joint lease has been notified to us within sixty days of formation and has been specified in the schedule;
(i)	any director or senior executive of the insured in respect of private work undertaken by the insured's employees for such director or senior executive.
	'You, your, insured' does not include the interest of any other person other than as described in (a) to (i) above.

Section 1 - Material damage

Words with special meaning

Some key words and terms used in this Section 1 have a special meaning.

Wherever the following words or terms are used in this section of the Policy, they mean what is set out below:

When we say	What we mean
Contract value	the maximum value allowable for each contract as specified in the schedule
Current value	the cost of replacement or repair of the damaged property at the date of the damage up to the contract value specified in the schedule. Subject always to due allowance for wear, tear, depreciation or betterment.
Damage	physical loss, destruction or damage.
Excess	the amount(s) specified in the schedule that you shall first contribute towards each loss or series of losses resulting from the one original source or cause.
Flood	the covering of normally dry land by water that has escaped or been released from the normal confines of: <ul style="list-style-type: none"> (a) any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or (b) any reservoir, canal or dam.

When we say	What we mean
Geographical scope	anywhere in Australia or as specified in the schedule.
Major hazard	earthquake, storm, flood, water, landslip, erosion, subsidence, or collapse.
Minor hazard	from any cause other than a major hazard.
Named cyclone	any tropical cyclone named by the Australian Bureau of Meteorology Tropical Cyclone Warning Centre
Replacement value	<ul style="list-style-type: none"> (a) where property is lost or destroyed; <ul style="list-style-type: none"> (i) in the case of a building, the rebuilding thereof, or (ii) in the case of property other than a building, the replacement thereof, by similar property, <p>in either case in a condition equal to but not better or more extensive than its condition when new.</p> <ul style="list-style-type: none"> (b) where property is damaged; the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.
Storm	violent wind (including cyclones and tornadoes), thunderstorms or hailstorms which may be accompanied by snow or rain.
Sum insured	the maximum value insured for each of the additional insured items specified in the schedule.
Total sum insured	the sum of the contract value and the sums insured for each of the additional insured items, (a) and (d) to (n) (where nominated and specified in the schedule) relating to any one contract.

What you are insured against

The indemnity

We will indemnify you, in accordance with the basis of settlement, for:

- (a) damage to the contract works, not otherwise excluded, whilst you are undertaking the contract and happening at the contract site during the construction period; and
- (b) damage during testing and commissioning of the contract works (where specified in the schedule) by their own electrical or mechanical breakdown, failure or derangement subject to the maximum limit specified in the schedule. Provided that it
 - (i) arises out of testing or commissioning at the contract site; and
 - (ii) occurs during the testing and commissioning period; and
- (c) damage to the contract works, not otherwise excluded, which manifests itself during the maintenance period provided such damage originates from:

- (i) a cause arising out of the contract works carried out by you during the construction period at the contract site, or
- (ii) a cause arising out of the course of operations carried out by you in complying with the requirements of the maintenance clause(s) of the contract.

Provided always, that our liability for any one loss in respect to (a) and (c) above will not exceed the total sum insured specified in the schedule.

Additional insured items

We will indemnify you for:

- (a) **Expediting expenses**

expediting expenses, being the costs of express delivery within Australia, overtime rates of wages, the hire of additional labour, equipment and the costs of purchasing resources necessary to reinstate, repair or replace damage to any item of the contract works under the terms of the policy. Express delivery shall include carriage by air freight within Australia by use only of licensed airline(s) operating a regular scheduled service, but not aircraft chartered specifically for such carriage.

Expediting expenses will not include reimbursement solely to compensate for a delay in completion of the contract works.

Subject to a maximum of 10 percent of the contract value or \$500,000 sum insured (whichever the lesser) unless otherwise specified in the schedule,
- (b) **Materials in storage**

damage to materials in storage away from the contract site but within the geographical scope and to be used in the contract works whilst awaiting transit to the contract site, for a period in all not exceeding ninety days duration

Subject to a maximum of \$100,000 sum insured unless otherwise specified in the schedule,
- (c) **Materials in Transit**

damage to materials to be used in the contract works whilst in transit arising from fire, flood, collision and overturning of the conveyance or by theft or malicious damage; all of which must occur while the item is being transported to the contract site and within the geographical scope:

 - (i) beginning with loading in an undamaged condition, and
 - (ii) continuing during transit by road, rail, internal waterway or by a licensed airline operating a regular scheduled service (including transshipment incidental thereto), and
 - (iii) ending with the unloading at the contract site.

Subject to a maximum of \$100,000 sum insured unless otherwise specified in the schedule,
- (d) **Mitigation expenses**

mitigation expenses, being the costs and expenses reasonably incurred by you in containing, reducing, suppressing or preventing further damage, provided such further damage is not excluded under this Policy. The amount payable under (d) shall exclude any amounts payable under (a) and (f).

Subject to a maximum of 5 percent of the contract value or \$250,000 sum insured (whichever the lesser) unless otherwise specified in the schedule,
- (e) **Professional fees**

'architects', 'engineers', 'surveyors' and 'consultants' fees necessarily incurred by you for the replacement or repair of any item of the contract works due to damage, but excluding any fees incurred for the preparation of a claim or estimation of a loss.

Subject to a maximum of 10 percent of the contract value or \$500,000 sum insured (whichever the lesser) unless otherwise specified in the schedule,

- (f) **Removal of debris**

the demolition and disposal of damaged or undamaged contract works and the removal of debris as a result of damage to the contract works, where necessary to enable the contract works to be restored or replaced.

Subject to a maximum of 10 percent of the contract value or \$500,000 sum insured (whichever the lesser) unless otherwise specified in the schedule,
 - (g) **Plumbing search and locate costs**

leak search costs incurred following irregularities discovered during hydrostatic or similar testing procedures.

Subject to a maximum of \$50,000 sum insured unless otherwise specified in the schedule.

Such costs will include, but will not be limited to:

 - (i) the cost (as necessary) of leasing or hiring special apparatus, cost of operation thereof and transport of such apparatus;
 - (ii) the cost of all associated earthworks

and are payable notwithstanding that damage may not have occurred to the contract works.
- In addition, where you have nominated a separate sum insured for any of these additional insured items in (h) through to (n) and are specified in the schedule, we will also indemnify you for:
- (h) **Cranes, hoists, mobile construction machinery or vehicles**

damage to cranes, hoists, mobile construction machinery or vehicles owned by you and/or hired in whilst on or about the contract site,
 - (i) **Existing structures**

damage to existing structures located on or about the contract site and belonging to or held in your care, custody and control. Provided that the structure is made waterproof and secured at the close of each day's work.

We will not be liable under this extension for damage to wall and floor finishes or coverings or any contents therein,
 - (j) **Fire extinguishment costs**

fire extinguishment cost, being the costs and expenses reasonably incurred by you for the purpose of:

 - (i) extinguishing fire at the contract site; or
 - (ii) preventing or reducing damage to the contract works,

provided such damage is not excluded under the policy,
 - (k) **Plant, equipment and tools**

damage to plant, equipment and tools owned by you and/or hired in and used in the performance of your business anywhere within the geographical scope and provided that such plant, equipment and tools are, when not in use, kept out of sight and in a locked secure receptacle.

However this item does not include cranes, hoists, mobile construction machinery or vehicles,

- (l) Principal supplied items
for damage to materials or items supplied by the principal for incorporation in or use on the contract works,
- (m) Statutory fees
any fee, contribution or other impost payable to any government, local government or other statutory authority, where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate the contract works.

Provided that we will not be liable for payment of any fines and/or penalties imposed upon you by any such bodies,
- (n) Temporary protection
costs and expenses necessarily incurred by you or on your behalf:
- (i) for shoring up, propping, underpinning or for the removal of and/or the carrying out of temporary repairs for the protection or safety of the contract works or injury,
- (ii) In the purchasing and/or hiring and in the erection and dismantling of hoardings, barriers, fences and any other forms of protection which you must provide in order to comply with the requirements of any government department, local government or other statutory authority.
- The indemnity under this clause (n) shall only apply where the costs and expenses are incurred as a result of actual or imminent damage or are necessary to prevent damage.

Our liability under this Policy will not exceed the sums insured for the additional insured item(s) specified in the schedule and our maximum liability shall not exceed in all the total sum insured.

Additional benefits

We provide the following additional benefits:

- (a) Contract value increase
if during the construction period there is an increase in the value of the contract then the contract value as specified in the schedule will be increased by a maximum of 15 percent, unless otherwise expressly agreed upon and specified in the schedule.
- (b) Dewatering
the cost of dewatering necessary to provide initial access to and allow repairs to be effected to completed sections of the contract works whether damaged or undamaged solely as the result of the damage.
- (c) Excavation and underpinning of existing structures
damage to existing structures, if specified in the schedule as insured under additional insured item (h), caused by any excavation and underpinning work carried out in accordance with the plans, specifications and geotechnical report for such work and as approved by the design, structural or consulting engineer.
- (d) Plot ratio indemnity
in the event the contract works insured under section 1 suffers damage and as a result of the exercise of statutory powers and/or authority by any government department, local government or other statutory authority the replacement of the contract works as before is prohibited or is only permissible subject to a reduced floor space ratio index and/or to the payment of certain fees and contributions as a prerequisite to replacement, then we agree to pay you in addition to any amount otherwise payable:

- (i) the difference between the actual cost of replacement incurred in accordance with a reduced floor space ratio index and the cost of replacement which would have been incurred had a reduced floor space ratio index not been applicable;
- (ii) the amount of any fees, contributions or other impost payable to any government department, local government or other statutory authority where such fee, contribution or impost is a condition precedent to consent being given to the replacement of such property;
- (iii) the amount of any additional costs and expenses incurred by or on behalf of you as a result of alterations to the specifications of such property brought about by the reduced floor space ratio index as aforesaid;

(e) Undamaged foundations

where the contract works insured under section 1 is destroyed but the foundations are not destroyed, and due to the exercising of statutory powers and/or delegated legislation and/or authority by any government or authority, the reinstatement or replacement of the contract works is required to be carried out upon another site, then the abandoned foundations will be considered as being lost or destroyed. If the presence of the abandoned foundations increases the resale value of the original contract site, then such increase in resale value shall be regarded as salvage and the amount thereof shall be deducted from the payment to you.

The term 'foundations' is deemed to include services such as, but not limited to, conduits, pipes, cables and wiring built into the footings and foundations (including concrete floor slabs).

Provided the indemnity under additional benefits (a) through to (e) are subject always to the contract value specified in the schedule.

Basis of settlement

In the event of damage, settlement will be:

- (a) to the contract works and existing structures (if specified in the schedule as insured under additional insured item (i)):
- (i) in the case of damage which can be repaired, the cost of repairs necessary (including a reasonable margin for overhead costs and profit) to restore the damaged section to the condition immediately before the occurrence of the damage, less any salvage; or
- (ii) in the case of a total loss, the replacement value of the damaged section of the contract works and existing structure.
- (b) to plant equipment, tools, cranes, hoists and construction machinery (if specified in the schedule as insured under additional insured item (h) and (k)):
- (i) in the case of repairable damage we will pay the reasonable cost to repair the damaged items to its former state of serviceability. In addition, when incurred for the purpose of effecting repairs, we will pay the cost(s) of dismantling, re-erection, ordinary freight to and from a repair workshop, custom duties or other imposts levied to the extent that the sum insured is not otherwise exhausted. If repairs are carried out in a workshop owned by you, we will pay the cost of material and wages incurred for the purpose of the repairs, plus a reasonable amount to cover overhead charges.
- (ii) no deduction will be made for depreciation of parts replaced, but the value of any salvage will be taken into account;

- (iii) if the estimated cost of repairs equals or exceeds the current value of the insured item immediately before the damage occurred, then we will regard the item as destroyed, and settlement will be made on the basis provided for in (iv) below;
- (iv) in the case where an item is destroyed or lost we will pay the value of the item at the time of damage, including the reasonable costs of ordinary freight and erection if they have been included in the sum insured. The value of the item will be calculated by reference to the current value of the item having regard to its state of repair and condition, less the value of any salvage.

However, only to the extent to which the costs claimed had to be borne by you and to the extent to which they are included in the sums insured.

All damage which can be repaired must be repaired, but if the cost of repairing any damage equals or exceeds the replacement value of the damaged section or the current value of the item immediately before the occurrence of the damage, settlement will be made on the basis provided for under (a)(ii) and (b)(iv) above.

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

The amount of each claim otherwise payable will be reduced by the amount of the excess.

Conditions which apply to this section

The following Conditions apply to this Section 1 of the Policy. There are also General conditions which apply to all sections of this Policy.

Adequacy of sums insured

Where nominated and specified in the schedule, the sums insured for the following additional insured items must not be less than:

- (a) the replacement value for existing structures (additional insured item (i)) located on or about the contract site,
- (b) the current value for plant, equipment, tools, cranes, hoists and mobile construction machinery (additional insured items (h) and (k)) used on or about the contract site.

If in the event of damage it is found that the sums insured are less than ninety percent of the amounts required to be insured as per (a) and (b) above, the amount recoverable by you under this Policy in respect of these items will be reduced by such proportion as the sums insured bears to ninety percent of the amounts required to be insured.

Provided further that the above will not apply if the amount of damage does not exceed five percent of the replacement value for (a) and current value of (b) above for the respective additional insured items.

Reinstatement of contract value or sum insured

Following any damage, the contract value or the sum insured will be automatically reinstated, after you pay an additional premium calculated on the amount of damage applied to a rate not less than pro-rata of the rate agreed for the period of insurance calculated from the date of such damage to the expiry of the period of insurance.

Loss accumulation for event

For the purpose of the application of the excess, any damage arising during any one period of seventy two consecutive hours caused by flood, storm, earthquake or bushfire, will be deemed to be a single event and therefore to constitute one loss. You may select the time from which any such period will commence but no two such selected periods will overlap.

Exclusions which apply to this section

The following exclusions apply to this Section 1 of the Policy. There are also general exclusions which apply to all sections of this Policy.

We will not be liable for damage:

- (a) to any portion of the contract works for:
 - (i) any fault, defect, error or omission in design, plan or specification; and/or
 - (ii) the replacement, repair or rectification of any damage caused by any faulty, defect, error or omission in material or workmanship; and/or
 - (iii) the cost of replacement or rectification of the contract works which would have been incurred if the contract works had been put in use immediately prior to the damage contained in (i) and (ii) above.

Provided further:

- (iv) any portion of the contract works will not be regarded as damaged solely due to the existence of the damage detailed in (i), (ii) and (iii) above.
- (b) caused by wear and tear, corrosion, oxidation or deterioration, due to lack of use or atmospheric conditions,
- (c) caused to machinery, plant or equipment during testing or commissioning:
 - (i) by intentional overloading or experiments;
 - (ii) for which the supplier or manufacturer is responsible with by law or under contract; or
 - (iii) which is second hand;
- (d) caused by electrical or mechanical breakdown to the contract works unless indemnified under testing and commissioning,
- (e) caused by electrical or mechanical breakdown to machinery, plant or equipment.
- (f) to plant equipment, tools, cranes, hoists and construction machinery unless such items are insured under additional insured items (h) and (k),
- (g) to mobile phones, tablet computers, smart devices and the like,
- (h) to vehicles registered for general road use, unless such vehicles are in use on or about the contract site in direct connection with the contract works and are insured under additional insured items (k),
- (i) to materials to be used in the contract works whilst in transit unless transit is insured under additional insured items (c),
- (j) to waterborne vessels, aircraft or aerial devices,
- (k) to cash, bank-notes, treasury-notes, cheques, postal-orders, money-orders, stamps, deeds, bonds, bills of exchange, promissory notes or securities
- (l) caused by the action of vermin, termites, moths or other insects,
- (m) to electronic data.

Provided this exclusion does not apply to damage arising out of:

- (i) fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption,
- (ii) impact, aircraft and/or other aerial device and/or articles dropped therefrom,

- (iii) sonic boom,
 - (iv) theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such electronic data,
 - (v) breakage of glass,
 - (vi) the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising,
 - (vii) storm and/or tempest and/or rainwater and/or wind and/or hail,
 - (viii) water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes,
- (n) discovered only at the time an inventory is taken unless such damage can be attributed to burglary
- (o) due to failure of the dewatering system if such failure could have been avoided by the provision of sufficient stand-by facilities.

We will not be liable for:

- (p) the normal upkeep of the contract works,
- (q) any temporary repairs, unless such repairs are necessary to prevent further damage to the contract works and are insured under additional insured items (n),
- (r) repairing or replacing parts requiring periodic or frequent replacement, repair or maintenance such as (but not limited to) fuses, shear-pins, rupture plates, or other expendable load limiting devices, bits, drills, knives, saw blades or other cutting devices, dies, moulds, patterns, pulverising and crushing surfaces, screens, sieves, filters, ropes, belts, chains, elevator and conveyor belts, batteries, flexible pipes, seals, glands, jointing, packing material, tyres and tracks,
- (s) additional dewatering expenses incurred because the quantities of water exceed those allowed for in the contract
- (t) expenses incurred for additional installations and facilities for the discharge of run-off or underground water,
- (u) expenses incurred for grouting or any other measures to remedy leakage of water into excavations, foundations or basements
- (v) consequential loss or loss of use,
- (w) penalties, fines, liquidated damages or aggravated, punitive or exemplary damages,
- (x) legal liability resulting from any event.

Section 2 - Legal liability

Words with special meaning

Some key words and terms used in this Section 2 have a special meaning.

Wherever the following words or terms are used in this section of the Policy, they mean what is set out below:

When we say	What we mean
Aircraft	any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
Drone	any unmanned aerial vehicle (UAV) and/or unmanned aircraft system (UAS) and/or remotely piloted aircraft system (RPAS).
Employee	any person under a contract of service or apprenticeship with the insured.
Excess	the amount(s) shown in the schedule that you shall first bear in relation to each occurrence.
Internet operations	<ul style="list-style-type: none"> (a) transfer of electronic data or programs by use of electronic mail systems by you or your employees, including part-time and temporary staff, contractors and others within your organisation whether or not such data or programs contain any malicious or damaging code, including but not limited to computer virus, worm, logic bomb, or trojan horse, (b) access through your network to the world wide web or a public internet site by your employees, including part-time and temporary staff, contractors and others within your organisation, (c) access to your intranet (your local or restricted communications network containing internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation, and (d) the operation and maintenance of your web site.
Limit of liability	the applicable limit of liability specified in the schedule.
Medical persons	qualified medical practitioners, nurses, dentists and first aid attendants.
Occurrence	an event which results in personal injury or property damage, neither expected nor intended from your standpoint. All personal injury or property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one occurrence.
Personal injury	<ul style="list-style-type: none"> (a) bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury. In the event of any claims for personal injury arising from latent injury, latent disease or latent sickness, such injury, disease or sickness in respect of each claim shall be deemed to have first happened on the day such injury, disease or sickness was first medically diagnosed and to be covered under this policy that

When we say	What we mean
	<p>diagnosis must first occur during the period of insurance,</p> <p>(b) false arrest, wrongful detention, false imprisonment or malicious prosecution,</p> <p>(c) wrongful entry or eviction,</p> <p>(d) defamation,</p> <p>(e) assault and battery not committed by you or at your direction unless reasonably committed for the purpose of preventing or eliminating danger to persons or property.</p>
Pollutant	any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
Product(s)	any good(s), product(s) or property of 'you, your, insured' (a) & (b) (after they have ceased to be in your possession or under your control), which are deemed to have been manufactured, extracted, produced, processed, constructed, assembled, erected, installed, repaired, serviced, treated, sold, supplied or distributed by you, including the contract upon practical completion.
Property damage	<p>(a) physical damage to, loss or destruction of tangible property including any resulting loss of use of that property; or</p> <p>(b) loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an occurrence.</p>
Territorial limits	anywhere within Australia or its territories.
Watercraft	any vessel, hovercraft, craft or thing made or intended to float on or in or travel on or through or under water.
Worker	<p>(a) any person provided to you on a temporary or permanent basis under a contract with a provider of contract labour hire personnel and such person remains an employee of that provider;</p> <p>(b) any person (including a person who may be a director, executive officer or an employee of a contractor), contracted to perform work for you or under your direct supervision or control in the performance of such work but does not include any person where the nature of the contracted work is the trade or service of such contractor and not that of your business;</p> <p>(c) any person (including a person who may be a director, executive officer or an employee of a subcontractor or any of their contractors or subcontractors subcontracted to perform work on the same work site as you.</p>
Worker to worker	any claim that is for personal injury to a worker.

What you are insured against

Legal liability

We will indemnify you for:

- (a) all sums which you become legally liable to pay by way of compensation, and
- (b) all costs awarded against you,

in respect of personal injury or property damage happening:

- (c) during the construction period and, where applicable, the maintenance period and caused by an occurrence within the territorial limits in connection with the carrying out of the contract(s) specified in the schedule; and
- (d) during the period of insurance and caused by an occurrence within the territorial limits in connection with your business and product(s).

Limit of liability

Our maximum liability in respect of any claim or any series of claims for personal injury or property damage caused by or arising out of one occurrence will not exceed the limit of liability specified in the schedule.

Our total aggregate liability during the period of insurance for all claims arising out of your product(s) will not exceed the limit of liability specified in the schedule.

Defence of claims

With respect to the indemnity provided by this section, we will:

- (a) defend in your name and on your behalf any claim or legal action against you seeking damages on account of personal injury or property damage even if the action is groundless, false or fraudulent, and we will investigate, negotiate and settle any claim or legal action as we see fit,
- (b) pay all legal costs and expenses incurred by us and all interest accruing after judgement until we have paid, tendered or deposited in court such part of the judgement as does not exceed the limit of liability,
- (c) reimburse you for all reasonable expenses, other than loss of earnings, incurred in connection with the defence of a claim or legal action with our consent,
- (d) pay reasonable expenses incurred by you for first aid to others at the time of personal injury caused by an occurrence (other than medical expenses prohibited by Section 126 of the *Health Insurance Act 1973* (Cth)).

Provided that:

- (e) we will not be obliged to pay any claim or judgement or to defend any claim or legal action if the limit of liability has been exhausted by payment of judgements or settlements,
- (f) if a payment exceeding the limit of liability has to be made to dispose of a claim our liability to pay any costs, expenses and interest under this section will be limited to that proportion of those costs, expenses and interest as the limit of liability bears to the amount paid to dispose of the claim.

The amount thus incurred, except payments in settlement of claims, suits and all costs awarded against you, are payable by us in addition to the limit of liability.

Exclusions which apply to this section

The following exclusions apply to this Section 2 of the Policy. There are also general exclusions which apply to all sections of this Policy.

This Section 2 does not provide indemnity in respect of claims directly or indirectly for:

1. Aircraft and watercraft

personal injury or property damage resulting from the ownership, maintenance, operation or use by you of:

- (a) any aircraft; or
- (b) any watercraft exceeding ten metres in length.

However, this exclusion does not apply to you operating a drone where such activity is incidental to the business, and where you comply with any licensing or any operational regulations in place at the time.

2. Asbestos

personal injury or property damage resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

3. Assault and battery

personal injury or property damage resulting from assault and battery committed by you or at your direction unless reasonably necessary for the protection of persons or property.

4. Contractual liability

- (a) any obligation assumed by you under any agreement or contract including but not limited to any provision which obliges you to effect insurance or provide indemnity (other than legal liability) in respect of the subject matter of the contract.

However, this exclusion shall not apply to any liability:

- (b) implied by law;
- (c) arising from a provision in a contract for lease of real or personal property;
- (d) assumed by you under a warranty of fitness or quality as regards to your products which are implied or required by law or legislation;
- (e) where the parties defined in 'you, your, insured' (a) and (b) have entered into a written agreement for contract works which requires the inclusion of subcontractors and/or consultants. Provided that the indemnity provided under this part (e) is subject to the following provisions:
 - (i) the indemnity granted is for the construction period, and where applicable the maintenance period, only; and
 - (ii) the indemnity extended to consultants is only in respect to their manual activities at the contract site.

Provided nothing in this part (e) will be deemed to increase the limit of liability specified in the schedule.

5. Cutting, heating or welding

personal injury or property damage resulting from cutting, heating or welding operations unless you have complied with the Australian Standards Fire Precautions or any subsequent amendments.

6. Defamation

personal injury arising from defamation:

- (a) made prior to the commencement of the period of insurance; or
- (b) made by you or at your direction with knowledge of its falsity; or
- (c) related to advertising, publishing, broadcasting or telecasting activities conducted by you or on your behalf.

7. Demolition

personal injury or property damage resulting from the demolition of buildings or structures exceeding ten metres in height, unless expressly agreed upon and specified in the schedule.

8. Employment liability

personal injury imposed:

- (a) by any workers compensation law,
- (b) by the provision of any industrial award, 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 or contract of employment or workplace agreement.

However if you are:

- (c) required by law to insure all or part of any common law liability for such personal injury, or
- (d) not required to so insure such liability by reason only that the personal injury is to a person who is not a worker or employee for the purposes of the relevant worker's compensation law or the personal injury is not an injury which is subject to such law,

then this Policy will respond to the extent that your liability would not be indemnified under such policy of insurance had you complied with your obligations pursuant to such law.

9. Employment practices

any actual or alleged:

- (a) wrongful dismissal, discharge or termination of employment; or
- (b) breach of oral or written or implied contract of employment; or
- (c) employment-related misrepresentation, discrimination, workplace harassment of any kind (whether sexual or otherwise) including the alleged creation or permission of a harassing workplace environment; or
- (d) wrongful failure to employ or promote; or
- (e) wrongful deprivation of career opportunities, wrongful discipline, failure to grant tenure or negligent evaluation, failure to provide accurate references; or
- (f) employment-related invasion of privacy or defamation; or
- (g) wrongful infliction of emotional distress, or retaliation; or
- (h) breach of duty whether arising under statutory law or common law or otherwise

committed by or on your behalf in connection with the employment by the company of any current, former or prospective employee.

10. Excavation and underpinning

personal injury or property damage as the result of an occurrence happening in conjunction with any excavation or underpinning work carried out.

However, this exclusion shall not apply where the excavation or underpinning work is carried out in accordance with the plans, specifications and geotechnical report for such work and as approved by the design, structural or consulting engineer.

11. Faulty workmanship

- (a) property damage to that part of any property upon which you are or have been working where the property damage arises from your work; or
- (b) the cost of performing, correcting or improving any work undertaken by you.

12. Fines, penalties

fines, penalties or liquidated damages.

13. Information technology hazards, electronic data, program and storage media

- (a) personal injury or property damage resulting from or involving your internet operations; or
- (b) property damage to electronic data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software;
 - (ii) the provision of computer or telecommunication services by you or on your behalf;
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

However this exclusion does not apply to:

- (c) personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site; or
- (d) liability which arises irrespective of the involvement of your internet operations,

provided nothing in this exclusion will be construed to extend indemnity under this Policy to any liability which would not have been indemnified in the absence of this exclusion.

14. Loss of use

the loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by you or on your behalf of any agreement; or
- (b) the failure of your products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you, but this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical damage to, loss or destruction of your products after they have been put to use by any person or organisation other than you.

15. Persons residing with you

- (a) personal injury to you or any person who normally lives with you; or
- (b) property damage to property belonging to you or any person who normally lives with you or to your or their employees.

16. Pollution

- (a) personal injury or property damage arising from the discharge, dispersal, release, seepage, migration or escape of pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place.
- (b) any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage.
- (c) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of pollutants caused by any product that has been discarded, dumped, abandoned or thrown away by you or on your behalf.
- (d) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of pollutants in the United States of America or Canada or in any country to which the laws of the United States of America or Canada apply.

Our liability under clauses 16. (a) and (b) above in respect of any one discharge, dispersal, release, seepage, migration or escape and for all discharges, dispersals, releases, and escape of pollutants during any one period of insurance will not exceed the limit of liability specified in the schedule.

17. Product guarantee

personal injury or property damage occurring as a consequence of the failure of any of your product(s), or any part thereof, to fulfil the purpose for which it was intended to perform as specified, warranted or guaranteed by you or which is imposed by law or statute.

18. Product recall

any costs, expenses or damages for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your product(s) or work completed by you or for you or any property of which your product(s) or work form a part, if such product(s), work or property are recalled from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition therein.

19. Professional liability

personal injury or property damage arising from the rendering of or failure to render professional advice or service by you or on your behalf or any related error or omission. Provided this exclusion shall not apply to medical advice by medical persons employed by you to provide first aid and other medical services at the contract site or your premises provided your business is not involved in the provision of medical services.

20. Property damage to your product(s)

property damage to your products or work completed by or for you or for any costs or expenses incurred in repairing, replacing or making any refund in respect of your products or such work.

21. Property in custody or control

property damage to:

- (a) property owned by or leased or rented to you; or
- (b) property in your physical or legal control.

But this exclusion does not apply to liability for property damage to:

- (c) premises (including landlord fixtures and fittings) which are leased or rented to you; or
- (d) premises (or their contents) not owned, leased or rented by you at the contract site; or
- (e) other property temporarily in your physical or legal control for use in connection with the contract(s) described in the schedule. Provided that our liability with respect to (e) does not exceed \$100,000 for any one occurrence and in the aggregate for any one construction period or period of insurance and subject to the excess specified in the schedule.

Provided that (d) and (e) are subject always to Section 2 Legal liability exclusions which apply to this section, 4. (a) Contractual liability.

22. Punitive damages

punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

23. Sexual molestation

personal injury contributed to, by or in connection with or caused by sexual and/or child assault, abuse, molestation or attempt thereof. Furthermore, we will not be liable for defence of claims as detailed in this Section 2 Legal Liability.

24. Social and sporting activities

personal injury to any person caused by or arising out of the participation of such person in any sport, game, match, race, practice or trial.

25. Territorial limits

- (a) claims made or actions instituted within any country, state or territory outside Australia, except where specified in the schedule.
- (b) claims made and actions instituted within the United States of America or Canada or any other territory coming within the jurisdiction of the courts of the United States of America or Canada.
- (c) claims and actions to which the laws of the United States of America or Canada apply.

Provided, for (b) and (c) above:

- (d) they do not apply to claims and actions arising from the presence outside Australia of any of your employees and/or directors, partners or proprietors who are normally resident in Australia and who are not undertaking manual work or supervision of work of any kind while in the United States of America or Canada; and
- (e) the limit of liability in respect of indemnity provided is inclusive of all costs, expenses and interest as set out in 'Defence of claims' of this Policy.

26. Tobacco

personal injury arising from or due to 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.

27. Underground cables or pipes

property damage to existing underground cables or pipes of any kind unless such property damage occurs during the construction period and you, prior to the commencement of the contract, have requested and obtained from any relevant public authority or the owner of such underground system the exact position of all cables and pipes and have traced their existence and indicated their location in situ.

28. Vehicles

personal injury or property damage arising from the ownership, possession, operation, maintenance or use by you of any vehicle:

- (a) which is registered or which is required under any legislation to be registered; or
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not that insurance is effected).

Exclusions (a) and (b) above do not apply to vehicles whilst being on or about any contract site in direct connection with your business and exclusions (a) and (b) do not apply to:

- (a) personal injury where:
 - (i) that compulsory liability insurance or statutory does not provide indemnity; and
 - (ii) the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by you of legislation relating to vehicles.
- (b) property damage caused by or arising out of:
 - (i) loading or unloading goods to or from any vehicle at the contract site; or
 - (ii) the use of any vehicle whilst being used as a tool of trade; or
 - (iii) the use of plant forming part of your vehicle being used as a tool operating at any worksite; or
 - (iv) the operation or use of any vehicle which is designed primarily for lifting, lowering, loading, unloading, while being operated or used by you or on your behalf within the confines of the contract site;

but we will not be liable for property damage caused by or arising whilst the vehicle is transporting or carting goods.

Conditions which apply to this section

The following conditions apply to this Section 2 of the Policy. There are also general conditions which apply to all sections of this Policy.

Cross Liability

Where more than one party comprises the insured each of the parties will be considered as a separate and distinct unit and the word 'insured' will be considered as applying to each party in the same manner as if a separate policy had been issued to each of them provided that nothing in this clause will result in an increase of the limit of liability in respect of any occurrence or period of insurance specified in the schedule.

Discharge of liabilities

We may at any time pay to you in respect of all claims arising from an occurrence the balance of the limit of liability or any smaller sum for which the claim or claims can be settled and upon that payment we will relinquish conduct or control of and be under no further liability under this section in connection with those claims except for costs, charges and expenses:

- (a) recoverable from you for all or part of the period to the date of such payment,
- (b) incurred by us,
- (c) incurred by you with our written consent prior to the date of such payment.

General exclusions

These general exclusions apply to all sections of this Policy.

We will not be liable for:

- (a) damage or liability as a consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, confiscation, nationalisation, requisition or destruction or damage by or under the order of any government or public or local authority,
- (b) damage or liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission; or
 - (ii) nuclear weapons material;
- (c) any act(s) of terrorism
- (d) damage or liability if in the event that there has been abandonment of the contract works or cessation of the work (other than delay due to insured damage) exceeding thirty days.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to (a), (b) or (c) above.

Sanctions limitation and exclusion clause

You're not insured under any section of this Policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

General conditions

There are conditions set out in this General conditions section, in the Claims section and under each particular cover and section. If any of these conditions aren't met, we may refuse a claim, reduce the amount we pay or in some circumstances we may cancel your Policy. When making a claim, you must have met and then continue to comply with the conditions of your Policy. Any person covered by your Policy, or claiming under it, must also comply with these conditions.

If you, or someone covered under your Policy, don't meet these conditions or make a fraudulent claim we may:

- Refuse to pay your claim or reduce what we pay for your claim
- Cancel your Policy.

Assistance and co-operation

At all times when you deal with us you must:

- Provide us with all reasonable assistance we may need
- Be truthful and frank
- Not behave in a way that's abusive, dangerous, hostile, improper or threatening
- Co-operate fully with us, even after we've paid a claim.

Care and maintenance

You must take reasonable care to prevent damage, injury or loss. We won't pay for damage, injury, loss or your liability to which your failure to take reasonable care is a contributing factor. At all times, you must:

- Prevent damage to property insured, as well as to others and their property
- Minimise the cost of any claim under your Policy
- Comply with all laws.

Changes to risk

You must notify us of any material change, in the risk and the nature of the risk, by providing us full details of such change(s). In such event, you must at your own expense, take such additional precautions to minimise the risk or any hazard to the risk as are reasonable in all the circumstances and must comply with any reasonable directions or requirements of us. The indemnity and/or the premium may be adjusted by us accordingly.

Provided that no material alteration will be made or allowed by you whereby the risk is increased unless such change is notified to us and agreed by us.

Contracts commencing basis

Where contracts commencing is indicated as operative for the construction period specified in the schedule, in the event of cancellation or non-renewal of this Policy, cover will continue for all contracts commenced prior to the cancellation or non-renewal until expiry of the construction period and any maintenance period as specified in the schedule.

Contracts covered

We will only indemnify you for the type of contract(s) and the contract value specified in the schedule. Contract(s) that are outside the contract(s) description specified in the schedule or have an estimated contract value at commencement greater than that stated in the schedule will not be indemnified by this Policy, unless notified to us and agreed by us.

Declaration, premium and adjustment

The declaration and premium adjustment will be in accordance with the construction period specified in the schedule.

Within thirty days of expiry of the period of insurance specified in the schedule or thirty days from cancellation or non renewal you will provide us with a declaration in the form we request setting out:

- (i) the actual turnover; and

- (ii) if applicable, the actual value of plant, equipment and tools during the period of insurance and in accordance with the basis of settlement; and
- (iii) if applicable, the total value of payments made to contractors, sub contractors or labour hire engaged during the period of insurance and under your direct supervision

subject to any minimum premium specified in the schedule, the premium will be adjusted by applying the rates specified in the schedule to (i) above and if applicable, (ii) and (iii) above. The actual premium calculated will be compared to the estimate premium paid at the beginning of the period of insurance and you must pay or we will refund the difference as the case may be.

You will pay the difference as calculated by us within thirty days of the date that a request for payment is given to you.

Interests of other parties

We will not insure the interests of any third party under this Policy unless notified to us and agreed by us.

Internal finishes

Prior to the installation of any internal finishes being floor coverings, wall and ceiling panels, ceiling tiles and lining boards, the building must be made weather proofed to the extent that all windows, glazing, external walls, roof and floor openings have been sealed against the ingress of water.

Licensed tradesmen

You must have all work carried out by fully licensed tradesmen in respect of those trades required to be licensed by law.

Our right of inspection

We will be permitted, but not obliged, to inspect your property and operations at any time. Neither our right to make inspections nor the making of such inspection or any report will constitute an undertaking to determine or warrant that such property or operations are safe or healthful or are in compliance with any law, rule or regulation.

You will allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

Partial occupation of works

If the whole or any part of the contract works insured by this Policy is taken over, occupied, or put into use by you or others prior to completion, we will not be liable for any damage or liability in respect of:

- (a) the occupants or their property,
- (b) the contract works, or
- (c) third parties or their property

arising from the taking over, occupancy or use of any part of the contract works.

Reasonable care and precautions

You shall take all reasonable care and precautions:

- (a) to prevent personal injury and property damage;
- (b) to comply with all laws and statutory obligations and by-laws or regulations imposed by any public authority for the safety of persons or property;
- (c) to employ competent employees;
- (d) to maintain all premises, fittings and plant and everything used in the contract works in sound condition; and
- (e) to ensure that the operations at the contract site are at all times carried out, so as to minimise the risk of any claim being made under this Policy.

Transfer basis

Where Transfer basis is indicated as operative for the construction period specified in the schedule, and you elect to cancel or not renew this policy, at our discretion we may agree to provide run off cover for any uncompleted contract.

In the event that we agree to provide run off cover, you will need to declare the projected additional turnover expenditure for such contract to us and pay the premium we request (calculated by applying the rates specified in the schedule). You will pay the premium as calculated by us within thirty days of the date that a request for payment is given to you.

Claims

This section describes what you must do, as well as conditions that apply when you make a claim and at the time loss or damage occurs which is likely to give rise to a claim.

What you must do

If anything happens that gives rise to or is likely to give rise to a claim you must:

- (a) tell us about it as soon as practicable,
- (b) take reasonable steps to prevent further loss,
- (c) in the event of damage caused by theft or burglary, inform the police,
- (d) if required, carry out repairs or make good any minor damage, but in all other cases you must preserve the damage or defective parts for inspection by our representatives, and at all reasonable times permit us or our agents to enquire into, investigate and examine the circumstances of any loss,
- (e) furnish all such proof, information and declarations with respect to the claim as we may reasonably require,
- (f) send us immediately on receipt any writ, summons or notice of other proceedings, which may be commenced against you or the principal, and
- (g) give us all information and assistance to enable us to settle any claim or institute proceedings.

What you must pay when you make a claim (Excess)

This is the amount shown in the Policy Schedule under 'Excess' for which we will have no liability in respect of each and every type of loss shown in the Schedule.

Such amounts will not be cumulative in respect of any claim or series of claims arising from one occurrence or event. If more than one excess applies for any claim arising from one original source or cause, such amounts will not be aggregated within each Policy Section, and the highest single level of excess only will apply. Only one excess will apply for Section 1 and one excess will apply for Section 2.

For claims under Section 1, the amount we pay will be reduced by the amount of the excess. For claims under Section 2, you will be required to pay to us the amount of such excess prior to us making any payments to any other parties.

GST

If you're a business you must tell us if you're registered, or are required to be registered, for GST. When you do this, we need you to give us:

- Your ABN
- The percentage of any input tax credit you will claim, or will be entitled to claim, on your premium.

When we pay a claim, your GST status will determine the amount we pay you. Your claim settlement amount will be adjusted to allow for any ITC entitlement.

Unless we say otherwise, all amounts in your Policy are inclusive of GST. There may be other taxation implications affecting you, depending upon your own circumstances. We recommend you seek professional advice.

Other insurance and contribution

You must notify us of any other insurance which will or may, whether in whole or in part, cover any loss insured under your Policy.

If at the time of any loss, damage or liability there's any other insurance (whether effected by you or by any other person) which covers the same loss, damage or liability you must provide us with any reasonable assistance we require to make a claim for contribution from any other insurer(s).

Preventing our right of recovery

If you've agreed not to seek compensation from any person liable to compensate you for loss, damage or liability covered by your Policy, we won't cover you for that loss, damage or liability.

Subrogation and recovery action & uninsured loss

We may at any time, at our expense and in your name, use all legal means available to you of securing reimbursement for loss or damage arising under your Policy. In the event we do so, you agree to give all reasonable assistance for that purpose.

If you've suffered loss that wasn't covered by your Policy as a result of the incident, we may offer to attempt to recover this. You may also specifically ask us to recover this for you. You'll need to give us documents supporting your loss. Before we include any uninsured loss in the recovery action we'll also ask you to agree to the basis on which we'll handle your recovery action. You may need to contribute to legal costs in some circumstances.

Other terms

These other terms apply to how your Policy operates.

Cancelling your Policy

How you may cancel this Policy

- (a) You may cancel this Policy by giving us thirty days notice in writing that you want to cancel it. After cancellation by you the premium for the period up to the date of cancellation will be adjusted on a pro-rata basis plus ten per cent of the premium for the unexpired period, subject to retention of the minimum premium we charge.
- (b) Where 'you' involves more than one party, we will only cancel the Policy when a written request to cancel the Policy is received from the insured stated in the Policy Schedule.

How we may cancel this Policy

- (a) We may cancel this Policy in any of the circumstances permitted by law by informing the insured stated in the Policy Schedule. Our notice of cancellation takes effect the earlier of the following times:
 - (i) the time when another policy of insurance between you and us or some other insurer, being a policy intended by you to replace this Policy is entered into; or
 - (ii) 4.00 o'clock in the afternoon of the thirtieth business day after the day on which notice was given to you.
- (b) We will send it to your address last known to us.
- (c) If we cancel this Policy we will repay a rateable proportion of the premium for the unexpired period of insurance from the date of cancellation.

Changing your Policy

Changes to this Policy only become effective when we agree to them and send you a new Policy Schedule detailing the change.

Notices

Any notice we give you will be in writing, and will be effective once it's delivered to you personally or to your last known address (including when it's an electronic one).

It's important for you to tell us of any change of address as soon as possible.

