



AUSTRALIS GROUP (UNDERWRITING) PTY LTD (ABN 80 082 459 372, AFSL 238170)
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ANNUAL CONSTRUCTION INSURANCE POLICY

Dated 1st July 2008

Issued by Australis Group (Underwriting) Pty Ltd ("Australis") (ABN 80 082 459 372, AFS Licence No. 238170) acting under a binder as an agent of Great Lakes Reinsurance (UK) PLC (ARBN 127 740 532, ABN 18 964 580 576, AFS Licence No. 318603), trading as Great Lakes Australia ("Great Lakes Australia").

Your Insurer

This insurance is underwritten by Great Lakes Australia, an authorised Australian insurer. As an authorised insurer, Great Lakes Australia is regulated by the Australian Prudential Regulation Authority ('APRA').

Our Services

All services that are provided to you regarding this product are provided by Australis. If you have any questions about this policy, or you wish to lodge a claim, please contact Australis on the contact details below. Claims are managed by Australis in conjunction with Great Lakes Australia.

Contact Details

You can contact Great Lakes Australia through Australis on the number shown in your policy schedule or from these details;

Australis Group (Underwriting) Pty Ltd

Level 3, 117 Clarence St Sydney NSW. GPO Box 247 Sydney NSW 2001, Australia

Telephone: (02) 9200 4000 Facsimile: (02) 9200 4099 Website: www.ausuw.com

More Insurer Details

Great Lakes Australia is a branch office of Great Lakes Reinsurance (UK) PLC which is a limited liability company incorporated in England and Wales and a wholly owned subsidiary of the Munich Re Company, part of the Munich Re Group. The Munich Re Group is one of the largest insurance groups in the world.

Great Lakes Australia has strong financial security characteristics. However, please note that ratings can vary from time to time. You can check Great Lakes Australia's current rating at the following website:

Standard & Poors: www.standardandpoors.com

Great Lakes Australia can be contacted as follows:

143 Macquarie Street, Sydney, NSW, 2000
PO Box H35 Australia Square, Sydney, NSW, 1215
Telephone: (02) 9272 2050
Email: reception@gla.com.au
Website: www.gla.com.au

Great Lakes Australia is a party to the General Insurance Code of Practice. You can access the Code at www.codeofpractice.com.au or via GLA's website

Definitions

We, Us and **Our** means Australis acting under a binder as an agent of Great Lakes Australia

Company means the entity name in the Policy Schedule as the Company

You, Your and **Insured** mean the person(s) or entity(ies) named in the Policy Schedule as the Insured

Duty of Disclosure

Under the Insurance Contracts Act 1984 (the Act), the Insured has a Duty of Disclosure. The Insured is required before they enter into, renew, vary, extend or reinstate your Policy, to tell the Company everything the Insured knows and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to the Company's decision whether to insure the Insured, and anyone else to be insured under the Policy, and if so, on what terms.

ÿ You do not have to tell us about any matter

- that diminishes the risk
- that is of common knowledge
- that the Company knows or should know in the ordinary course of their business as an Insurer, or
- which the Company indicates they do not want to know.

ÿ If you do not tell the Company

If the Insured does not comply with its Duty of Disclosure the Company may reduce or refuse to pay claim or cancel this Policy. If the non-disclosure is fraudulent the Company may treat this Policy as never having worked.

Subject to the payment of the Premium, the Company provides insurance cover to the Insured as stated in this Policy, including the Policy Schedule and any Renewal Schedule or Endorsement.

In issuing this Policy, the Company relies upon the information contained in the Proposal and any written statements made by the Insured or anyone acting on behalf of the Insured.

The maximum liability of the Company will not exceed in all the Total Sum Insured, less the applicable Deductible(s).

Privacy

Australis Group Underwriting is committed to protecting the Insured's privacy. Australis Group Underwriting will only use the personal information provided to quote on and insure the risks of the Insured. Australis Group Underwriting will only provide personal information to our Insurers (and their representatives) and those we appoint to assist Australis Group Underwriting with claims under the policy. Australis Group Underwriting will not trade, rent or sell your information.

If the Insured does not provide Australis Group Underwriting with complete information, Australis Group Underwriting cannot properly quote for the insurance and cannot provide insurance cover to the Insured. The Insured can check the personal information Australis Group Underwriting hold about them at any time.

If the Insured provides Australis Group Underwriting with personal information about anyone else, Australis Group Underwriting rely on the Insured to have told them that the Insured will provide their information to Australis Group Underwriting, to whom Australis Group Underwriting may provide it, the purposes for which Australis Group Underwriting will use it and that they can access it. If the information is sensitive, Australis Group Underwriting rely on the Insured to have obtained their consent on these matters.

For more information about our Privacy Policy please see our website – www.ausuw.com

Details on Great Lakes Australia's Privacy Policy can be found at www.gla.com.au or by contacting them:

Address: The Privacy Officer, 143 Macquarie Street, Sydney, NSW, 2000
Telephone: (02) 9272 8000
Email: privacyofficer@gla.com.au

Dispute resolution

Australis Group Underwriting will do everything possible to provide a quality service to the Insured. However, Australis Group Underwriting recognise that occasionally there may be some aspect of a service or a decision Australis Group Underwriting have made that the Insured wish to query or draw to the attention of Australis Group Underwriting.

If the Insured would like to make a complaint or access the internal dispute resolution service please contact:

The Complaints Officer
Australis Group Underwriting
Level 3
117 Clarence Street
Sydney NSW 2000

We will acknowledge receipt of Your complaint within 3 working days.

If the complaint relates to the insurance cover We will work with Great Lakes Australia to resolve the complaint. We will, provided We have sufficient information, complete the review within 15 working days. Where We are unable to do so, We will agree a new timeframe for responding to You. In any case, We will provide You with an update every 10 working days.

If You are a natural person or a small business, and You are not satisfied with the final decision, You may wish to contact the Financial Ombudsman Service ("FOS"). The FOS is a free independent external disputes resolution service provided to customers to review and resolve complaints where We have been unable to satisfy Your concerns.

For further details you can visit their website www.fos.org.au or contact them:

Address: GPO Box 3, Melbourne, VIC, 3001
Telephone: 1300 78 08 08
Email: info@fos.org.au

Cooling-off information

If the Insured wants to return their insurance after their decision to buy it, they may cancel it and receive a full refund. To do this the Insured may notify their Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if the Insured has made or is entitled to make a claim. Even after the cooling off period ends, the Insured still has cancellation rights however the Insured's Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

If Policy is for an event that will start and finish within the 21 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

Other party's interests

The Insured must tell Australis Group Underwriting of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. The Company will protect their interests only if the Insured has told us about them and Australis Group Underwriting have noted them on the Policy Schedule.

Preventing our right of recovery

If the Insured has agreed not to seek compensation from another person who is liable to compensate them for any loss, damage or liability which is covered by this Policy, the Company will not provide cover under this Policy for that loss, damage or liability.

Average/underinsurance

The additional insured items for Existing Structures and for items of plant, equipment, tools, cranes, hoists and mobile construction machinery are subject to average/underinsurance. The Insured must insure Existing Structures for the full replacement value and items of plant, equipment, tools, cranes, hoists and mobile construction machinery for the current market value and if the Insured does not the Company will only pay the proportion of the claim that the sum insured bears to that market value.

How Goods and Services Tax affects any payments the Company makes

The amount of premium payable by the Insured for this policy includes an amount on account of the GST on the premium.

When a claim is paid, the GST status of the Insured will determine the amount paid.

When the Insured is:

- a) not registered for GST, the amount paid is the sum insured limit of indemnity or the other limits of insurance cover including GST.
- b) registered for GST, the Company will pay the sum insured/limit of indemnity or the other limits of insurance and 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.

The Company will reduce the GST amount paid by the amount of any input tax credits to which the Insured is or would be entitled if the Insured made a relevant acquisition. In these circumstances, the input Tax Credit may be claimable through Business Activity Statement (BAS) of the Insured.

The Insured must advise Australis Group Underwriting of their correct Australian Business Number & Taxable Percentage.

Any GST liability arising from the incorrect advice of the Insured is payable by the Insured.

Where the settlement of a claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, the Company will only pay an amount for GST (less the Insured's entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover the Insured's loss, the Company will only pay the GST relating to their settlement of the claim.

The Company will (where relevant) pay the Insured on their claim by reference to the GST exclusive amount of any supply made by any business of the Insured's which is relevant to their claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is the entitlement of the Insured to an Input Tax Credit on their premium as a percentage of the total GST on that premium.

Australian Terrorism Insurance Act 2003 Notice

The Insurers have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined by ATIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Insurers have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Insurers will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Insurer's liability for payment for "eligible terrorism losses".

DEFINITIONS APPLYING TO SECTIONS ONE AND TWO

1. CONSTRUCTION PERIOD (ITEM 6.1 OF THE SCHEDULE)

Construction Period is the period commencing on the date of possession of each Contract Site by the Insured or the commencement date of the Contract Works provided such date is within the Policy Period and ending:

- At the time of Practical Completion and including up to 14 days exceeding Practical Completion or
- When completed portions of the Contract Works are taken over, occupied or put into use or
- At 4.00pm on the End date specified in the Policy Schedule

whichever occurs first.

2. MAINTENANCE PERIOD (ITEM 6.2 OF THE SCHEDULE)

Maintenance Period is the period commencing at the end of the Construction Period if specified in the Policy Schedule and ending on the date specified in the Policy Schedule.

3. THE COMPANY

The Company named in the Policy Schedule through its agent Australis Group (Underwriting) Pty Ltd (ABN 80 082 459 372) trading as Australis Group Underwriting (ABN 38 077 515 327).

4. THE INSURED

The person(s), companies or firms named on the current Policy Schedule as the Insured including, as if they were the Insured;

- (1) all the subsidiary companies (now or subsequently constituted) of the Insured specified in the Policy Schedule provided their places of incorporation are within Australia or any Territory of Australia
- (2) every director, executive officer, employee, partner or shareholder of the Insured or of the parties shown in paragraph (1) above, but only while acting within the scope of their duties in such capacity
- (3) every principal, in respect of that principal's vicarious liability for the acts or omissions of the Insured or of the parties shown in paragraph (1) in the performance by them of work for that principal, but subject always to the extent of coverage and the limit of liability provided by this Policy
- (4) each partner, joint venturer, co-venturer or joint lessee of the Insured named in the Policy Schedule but only if the Company agrees to insure them and the Insured named in the Policy Schedule agrees to pay the premium the Company requires.
- (5) every office 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 (other than one of the parties shown in paragraphs (3) or (4) above) in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This insurance will not apply to personal injury to or property damage of any participants of any game, match, race, practice or trial
- (6) any director or senior executive of the Insured or one of the parties shown in paragraph (1) above in respect of private work undertaken by employees of the Insured for such director or senior executive.

However, the Insured does not include the interest of any other person other than as described in this definition.

5. TURNOVER

The Contract Price(s) of work performed for all Permitted Contracts commenced during the Policy Period including all materials, components and principal supplied items on contracts covered under this policy during the Period of Insurance.

SECTION ONE MATERIAL DAMAGE

DEFINITIONS APPLYING TO SECTION ONE

1. INSURED DAMAGE

Insured Damage being a sudden and unforeseen physical loss of or damage to Insured Property stated in the Policy Schedule from any cause, not hereinafter excluded, occurring and discovered at the Contract Site as stated in the Schedule.

2. CONTRACT WORKS (ITEM 7.1 OF THE SCHEDULE)

Contract Works being the whole of the works whether permanent or temporary including all materials incorporated or to be incorporated therein including all formwork, falsework, scaffolding, temporary site buildings, hoardings and security fencing owned by or in the care, custody or control of the Insured for the performance of the Construction Contract stated in the Schedule.

Contract Works does not include Existing Structure(s) unless incorporated by Endorsement.

3. PERIOD OF INSURANCE

Period of Insurance being the period beginning at commencement of the Construction period for each individual contract and ending at the expiry of the Maintenance Period.

4. POLICY PERIOD

Policy Period is the twelve (12) month or other period stated in the Policy Schedule during which individual contract may commence and then continuing as stated in the Policy Schedule.

5. TESTING PERIOD (ITEM 6.3 OF THE SCHEDULE)

The period within the Construction Period specified in the Policy Schedule

6. EXISTING STRUCTURE (ITEM 7.5 OF THE SCHEDULE)

Any building or structure nominated in the schedule including all permanent attachments but excluding contents, wall or floor finishes or coverings, fencing, paths, driveways and all exterior paved areas.

7. SCHEDULE

The Policy Schedule or any Renewal Schedule or Endorsement Schedule.

8. TERRITORIAL LIMITS

Anywhere in Australia or its Territories

9. PLANT EQUIPMENT AND TOOLS (ITEM 7.6 OF THE SCHEDULE)

Plant, equipment and tools being used on or about the Contract Site not including Hoists, Cranes and Mobile Plant.

10. HOIST CRANES AND MOBILE PLANT (ITEM 7.7 OF THE SCHEDULE)

Plant being vehicles, hoists, cranes, earth moving equipment, air compressors, welding equipment and other similar plant whether self-propelled or non self-propelled

11. DEDUCTIBLE (ITEM 10 OF THE SCHEDULE)

Deductible being the amount(s) stated in the Schedule which will be deducted from the amount otherwise payable for each and every Insured Damage.

12. CONTRACT SITE (ITEM 4 OF THE SCHEDULE)

The location(s) specified in the Policy Schedule or elsewhere where work is performed by or for the Insured in connection with the Contract Works specified in the Policy Schedule.

13. PRACTICAL COMPLETION

Being the earlier of:

- (a) When the Contract Works have been completed except for minor omissions and defects which do not prevent the Contract Works from being capable of being occupied or used for their intended purpose or
- (b) When the Certificate of practical completion is issued.

14. MAJOR HAZARD

Earthquake, storm, flood, water, landslip, erosion, subsidence or collapse.

15. MINOR HAZARD

From any Cause other than a Major Hazard.

16. CONTRACTS COVERED

The Company will indemnify the Insured for any Construction Contract(s) commenced by the Insured during the Policy Period stated in the Schedule provided that such contracts are within the Permitted Contracts stated in the Schedule and that the estimated final Sum Insured for any one Construction Contract at the commencement of each contract does not exceed that stated in Item 6.1 in the Schedule.

Construction Contract(s) that are outside the Allowable Categories or have an estimated final Sum Insured for any one Construction Contract at commencement greater than that stated in Item 6.1 in the Schedule will only be covered by this Policy if specially agreed and endorsed.

In the event of cancellation or non renewal of this Policy, cover will continue for any Construction Contract(s) commenced prior to the date of cancellation or non renewal until expiry of the Period of Insurance, subject to the Premium Adjustments clause.

Where Construction Contract(s) are covered by this Policy, the Policy will operate during the Construction Period and, if required by the Construction Contract conditions, during the Maintenance Period.

17. PROVISIONAL PREMIUM

The provisional premium shall be a deposit and shall be calculated by applying the agreed rate to the estimated Turnover of all construction contracts which become insurable under this policy and shall be adjusted as shown below.

In the event of the Policy being cancelled or not renewed the provisional premium on these risks are to be run to completion shall be calculated on the annual basis from the cancellation or non-renewal date.

18. PREMIUM ADJUSTMENT

Within one month of expiry of the Policy Period or the anniversary date of cancellation or non-renewal, the Insured will declare the actual Turnover of all Construction Contracts insured under this Policy since the commencement of the Policy Period.

The Premium will be determined by applying the Rate to the actual Turnover and be compared with the Provisional Premium. The Insured will pay or the Company will refund the difference as the case may be.

Provided always that the Company will not be called upon to refund more than 30 % of the Provisional Premium.

SCOPE OF COVER – SECTION ONE

1. CONSTRUCTION PERIOD

The Company will indemnify the Insured against Insured Damage occurring and discovered during the Construction Period as stated in the Schedule.

Provided always that indemnity will end at the time stated in Item 6.1 in the Schedule.

2. MAINTENANCE PERIOD

The Company will indemnify the Insured against Insured Damage discovered during the Maintenance Period as stated in the Schedule; and which originates from:

- (a) a cause (unless excluded) arising out of the Contract Works carried out by the Insured and occurring during the Construction Period at the Contract Site.
- (b) a cause (unless excluded) arising out of and occurring during the operations carried out by the Contractor and/or Subcontractor(s) in complying with the requirements of the Maintenance Clause(s) of the Construction Contract.

Provided always that indemnity will end at the time stated in Item 6.2 in the Schedule.

3. ITEMS SUPPLIED BY THE PRINCIPAL (ITEM 7.1.3 OF THE SCHEDULE)

Where a separate Sum Insured is shown in the Policy Schedule the Company will pay for Insured Damage to materials or items supplied by the Principal for incorporation in the Contract Works.

4. ESCALATION ALLOWANCE (PART OF ITEM 7.1.4 OF THE SCHEDULE)

Escalation Allowance being the amount stated in the Schedule for increases in the Contract Price and/or Materials or Items supplied by the Principal to allow for inflation and additional works during the Construction Period stated in the Schedule.

ADDITIONAL ITEMS

Provided a separate Sum Insured is shown in the Policy Schedule for any of these additional items the Company will indemnify the Insured for costs and expenses necessarily and reasonably incurred for:

5.1 EXISTING STRUCTURE (ITEM 7.5 OF THE SCHEDULE)

Insured Damage to Existing Structure being the structures nominated in the Policy Schedule and located on or about the Contract Site and belonging to the Insured or in the care, custody or control of the Insured and provided that the structure(s) are made waterproof and secure at the close of each days work.

5.2 PLANT EQUIPMENT AND TOOLS (ITEM 7.6 OF THE SCHEDULE)

Insured Damage to Plant, Equipment and Tools being those items of Plant, Equipment and Tools owned by the Insured whilst on or about the Contract Site provided that such Plant, Equipment and Tools are secured in a locked receptacle when not in use but excluding cranes, hoists, vehicles and mobile telecommunication equipment.

5.3 HOISTS, CRANES AND MOBILE CONSTRUCTION PLANT (ITEM 7.7 OF THE SCHEDULE)

Insured Damage to Hoists, Cranes and Mobile construction plant owned by the Insured whilst on or about the Contract Site.

5.4 MATERIALS IN STORAGE (ITEM 6.8 OF THE SCHEDULE)

Insured Damage to materials and components to be used for or incorporated in the Contract Works whilst in storage within Australia during the Construction Period, for a period not exceeding ninety (90) days duration in total.

5.5 TRANSIT (ITEM 7.9 OF THE SCHEDULE)

For Insured Damage to materials and components to be used for or intended to be incorporated in the Contract Works whilst in transit within Australia during the Construction Period arising from fire, flood, collision and overturning of the of the conveyance or by theft or malicious damage while the materials are being transported to the Contract Site:

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

5.6 TESTING (ITEM 7.10 OF THE SCHEDULE)

For Insured Damage during testing and commissioning of the Contract Works which occurs during the Testing Period arising out of the electrical or mechanical breakdown, failure or derangement provided the Insured Damage arises out of the testing and commissioning at the Contract Site.

Following Insured Damage during the Construction or Maintenance Period and provided a Sum Insured is stated for the respective Item(s) in the Schedule, the Policy is extended to include costs and expenses necessarily and reasonably incurred for:

6. REMOVAL OF DEBRIS (ITEM 7.2 OF THE SCHEDULE)

Removal of Debris being:

- 11.1** the removal and disposal of debris necessary to restore or replace damaged Insured Property.
- 11.2** the demolition removal and disposal of damaged Insured Property.
- 11.3** the demolition removal and disposal of undamaged Insured Property necessary to restore or replace damaged Insured Property.

7. PROFESSIONAL FEES (ITEM 7.3 OF THE SCHEDULE)

Professional Fees being the cost of architects, surveyors, consulting engineers and other professional consultants to restore or replace Insured Property.

Professional Fees will not include 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 Institutions regulating such charges prevailing at the time of the loss or damage.

8. EXPEDITING EXPENSES (ITEM 7.4 OF THE SCHEDULE)

Expediting Expenses being the cost of express delivery within Australia, overtime rates of wages, the hire of additional equipment and the costs of purchasing resources to urgently restore or replace Insured Property. Express delivery will 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 of costs to compensate for delay in completion of the works.

The liability of the Company under this Policy will not exceed the Sum(s) Insured stated in the Schedule for the respective Item(s) of the Insured Property. The maximum liability of the Company will not exceed in all the Total Sum Insured, less the applicable Deductible.

ADDITIONAL COVERS

Provided that the Sum Insured is not otherwise exhausted the Company will indemnify the Insured for costs and expenses necessarily and reasonably incurred for:

9. UNDERPINNING OF EXISTING STRUCTURES

Insured Damage to Existing Structures specified in the Policy Schedule caused by excavation or underpinning work carried out by the Insured provided that:

- (a) such work strictly complies with the plans, specifications and recommendations of the design engineer and is done is carried out the direct supervision of the design engineer and;
- (b) any Existing Structure shall have, prior to any excavation or underpinning work commencing, a Conditions Report produced which details the existing condition of such Existing Structure.

10. UNDAMAGED FOUNDATIONS

The original cost of constructing building foundations forming part of the Contract Works which are undamaged but subsequently abandoned following destruction of the balance of the Contract Works and Government Department or Local Government or other Statutory Authority directs that reinstatement of the works must be carried out at another site.

11. PLOT RATIO INDEMNITY

In the event of the Contract Works Insured under Section One suffers Insured damage and as a result of the exercise of Statutory powers and/or authority by any Government Departments, Local Government or any other Statutory Authorities replacement of such Contract Works as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index and/or the payment of certain fees and contributions as a prerequisite to replacement:

The Company will pay in addition to any amount payable on replacement of such Contract Works the difference between:-

- a) the actual cost of replacement incurred in accordance with the reduced floor space ratio index and;
- b) the cost of replacement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (a) and (b) above any payments made by the Company shall include the additional costs of replacement, including demolition or dismantling of the damaged Contract Works, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-law or Regulation of any Municipal or other Statutory Authority.

Any payment made for the difference between (a) and (b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on behalf of the Insured in the replacement of the Contract Works.

The Company will also pay:

- c) the amount of any fees, contributions or any other impost payable to any Government Departments, Local Government or any other Statutory Authorities where such fees, contributions or any impost is a condition precedent to consent being given for the replacement of the Contract Works;
- d) the amount of any additional costs and expenses incurred by or on behalf of the Insured arising from alterations to the specifications of the Contract Works bought about by the reduced floor space ratio index;
- e) but all subject to the Sums Insured specified in the Policy Schedule.

12. DEWATERING

The Company will pay for the cost of dewatering necessary to provide initial access to and allow repairs to be effected to previously completed sections of the Contract Works whether damaged or undamaged following Insured Damage.

BASIS OF SETTLEMENT

The basis of any settlement for Insured Damage will be:

to the Contract Works and Existing Structure insured under Item 6.5 of this policy:

- 1 (a) in the case of 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; or
- (b) in the case of a total loss, the actual value of the items immediately before the occurrence of the loss less any salvage;

to plant, equipment, tools, cranes, hoists and construction machinery insured under Items 6.6 and 6.7 of this policy:

- 2 (a) in the case of damage which can be repaired, the Company will pay all costs reasonably incurred to repair the damaged item to its condition immediately prior to the loss including the costs of dismantling, re-erection, ordinary freight to and from a repair workshop customs duties and other imposts if levied provided that the sum insured is not otherwise exhausted.
If the repairs are carried out by the Insured the Company will pay the reasonable cost of materials and wages incurred by the Insured plus a reasonable amount to cover overhead charges.

No deduction will be made for depreciation of replaced parts but the value of any salvage will be taken into account.

If the estimated costs of repairs exceeds or equals the value of the damaged item immediately before the loss or damage occurred then the Company will consider the item destroyed and settlement will be made on the basis below.

- (b) in the case where the item is destroyed the Company will pay the value of the item, having regard its market value and to its state and condition immediately prior to the loss, plus the reasonable costs of freight and erection of a replacement item (if this amount has been included in the sum insured) less the value of 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.

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) above.

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

The Company 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.

The amount of the Deductible will be subtracted from the amount payable by the Company for Insured Damage. Should more than one Deductible apply, the highest Deductible only will be used.

EXCLUSIONS APPLYING TO SECTION ONE

The Company will not indemnify the Insured against:

1. the cost of repairing, replacing or rectifying loss of or damage to Contract Works caused by or arising out of a fault, defect, error or omission in material or workmanship of the Contract Works. However the Company 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 loss or damage occurring.
2. the cost of repairing, replacing or rectifying loss of or damage to Contract Works caused by or arising out of a fault, defect, error or omission in design, plan or specification of the Contract Works.
3. the cost of repairing, replacing or rectifying loss or damage consisting of electrical, electronic or mechanical breakdown, explosion, implosion, failure or derangement of any machine, boiler or pressure vessel unless provided for by item 7.10 of the Policy Schedule but the Company will not pay for Insured Damage during testing or commissioning to any machinery or plant:
 - (a) caused by intentional overloading or experiments
 - (b) which is second-hand or used
 - (c) for which the manufacturer or supplier is responsible by law or under contract
4. Insured Damage caused by the action of vermin, termites, moths or other insects
5. Insured Damage discovered only at the time an inventory is taken unless such Insured Damage can be attributed to burglary.

6. Insured Damage to cash, bank-notes, treasury-notes, cheques, money-orders, stamps, deeds, bonds, bills of exchange, promissory-notes and securities.
7. consequential loss, loss of use, penalties, fines, liquidated damages, or aggravated, punitive or exemplary damages.
8. the cost of rectifying corrosion, erosion, wasting, wearing away, abrasion, or other gradual deterioration including that caused by atmospheric conditions.
9. the cost of normal upkeep or routine making good.
10. loss of or damage to Insured Property following any cessation of work which exceeds 30 consecutive days, or immediately following abandonment.
11. Insured Damage to any vehicle registered for road use unless the vehicles are on the Contract Site in connection with the Contract Works and are provided for by item 7.7 of the Policy Schedule.
12. Insured Damage to waterborne vessels and craft, aircraft and other aerial devices.
13. the cost of temporary repairs subsequent to Insured Damage unless such repairs are necessary to prevent further Insured Damage to the Contract Works.
14. the cost of replacing parts requiring periodic or frequent replacement, repair or maintenance including but not limited to fuses, shear pins, rupture plates or other load limiting devices, bits, drills, knives and other cutting devices, dies, moulds, patterns, templates, pulverising and crushing surfaces, screens, sieves, ropes, belts, chains, elevator and conveyor belts, batteries, flexible pipes, seals, glands, jointing, packing material, tyres and tracks.
15. the cost of:
 - (a) additional expenses incurred for dewatering because the quantities of water to be removed exceed the quantities allowed for in the contract
 - (b) repairing Insured Damage arising out of the failure of dewatering plant if such Insured Damage could have been avoided by the provision of additional standby dewatering plant
 - (c) additional expenses incurred for the discharge of run-off or groundwater
 - (d) any expenses incurred for grouting or other measures necessary to prevent the leaking of water into excavations, foundations or basements.
16. mechanical and/or electrical breakdown or derangement of Plant, Equipment and Tools, Hoists, Cranes and Mobile Construction Plant
17. legal liability arising from any event.

SECTION TWO**LEGAL LIABILITY****DEFINITIONS APPLYING TO SECTION TWO**

- 1.1 **Aircraft** Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
- 1.2 **Asbestos** Asbestos, asbestos products or products containing asbestos.
- 1.3 **Business** The business described in the Policy Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of employees of the Insured, first aid, fire and ambulance services and the maintenance of the premises of the Insured.
- 1.4 **Deductible** The amount the Insured must first bear in relation to each occurrence. The deductible applies to all amounts payable under this Policy including the indemnity provided under 'Defence of claims'.
- 1.5 **Employee** Any person engaged under a contract of or for service or apprenticeship with the Insured, but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation.
- 1.6 **Employment Practices misleading** Any wrongful or unfair dismissal, denial of natural justice, defamation, representation or advertising, harassment or discrimination directly or indirectly related to employment or prospective employment of any person or persons by the Insured.
- 1.7 **Hovercraft** Any vessel, craft or thing made or intended to float on or in or travel on or through the atmosphere or water.
- 1.8 **Internet**
- (a) transfer of computer data or programs by use of electronic mail systems by the Insured or employees of the Insured, including part-time and temporary staff, contractors and others within the organisation of the Insured 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 the network of the Insured to the world wide web or public internet site by employees of the Insured, including part-time and temporary staff, contractors and others within organisation of the Insured.
 - (c) access to the intranet of the Insured (meaning internal company information and computing resources) which is made available through the world wide web for customers or others outside the organisation of the Insured, and
 - (d) the operation and maintenance of the web site of the Insured.
- 1.9 **Limit of Liability** The applicable limit of liability specified in the Policy Schedule.
- 1.10 **Medical persons** Qualified medical practitioners, nurses, dentists and first aid attendants.
- 1.11 **Occurrence** An event which results in personal injury or property damage neither expected nor intended from standpoint of the Insured. All personal injury or property damage arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one occurrence.
- 1.12 **Period of Insurance** The period shown in the Policy Schedule.

- 1.13 **Personal injury** (a) bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury
- (b) the effects of false arrest, wrongful detention, false imprisonment or malicious prosecution
- (c) the effects of wrongful entry or eviction
- (d) the effects of a publication or utterance of a libel or slander or other defamatory or disparaging material
- (e) the effects of assault and battery not committed by or at the direction of the Insured unless reasonably committed for the purpose of preventing or eliminating danger to persons or property.
- 1.14 **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.
- 1.15 **Products** Anything (after it has ceased to be in the physical custody of or under the control of the Insured) manufactured, produced, supplied, distributed, sold, imported, repaired, serviced, installed assembled, erected or constructed by the Insured, including packaging and containers.
- 1.16 **Property damage** (a) Physical damage to or loss or destruction of tangible property including any resulting loss of use of that property, or
- lost (b) loss of use of tangible property which has not been physically damaged, or destroyed provided such loss of use is caused by an occurrence.
- 1.17 **Policy Schedule** The schedule of insurance or any endorsement schedule or renewal schedule.
- 1.18 **Territorial limits** Anywhere in the world subject to Exclusions 15 – ‘Territorial Limits’ and 16 – ‘Export to USA and Canada’
- 1.19 **Vehicle** Any type of machine on wheels or self laid track 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.
- 1.20 **Watercraft** Any vessel, craft or thing made or intended to float on or in or travel on or through or under water.

SCOPE OF COVER – SECTION TWO

Liability

The Company will cover the Insured for their legal liability to pay:

- Y all sums by way of compensation, and
- Y all costs awarded against the Insured

In respect of

- Y personal injury
- Y property damage

happening during the period of insurance and caused by an occurrence within the territorial limits in connection with the Contract Works.

Defence of claims

If the Company agrees to cover the Insured the Company will:

- (a) defend in the name of and on behalf of the Insured any claim or legal action against the Insured seeking damage for personal injury or property damage even if the action is groundless, false or fraudulent, and the Company will investigate, negotiate and settle any claim or legal action as the Company sees fit.
- (b) Pay all legal costs and expenses incurred by the Company and all interest accruing after entry of judgement until the Company has paid, tendered or deposited in court such part of the judgement as does not exceed the limit of liability reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred with the consent of the Company in connection with the defence of a claim or legal action
- (c) pay reasonable expenses incurred by the Insured 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).

Provided that:

- (d) the Company will not be obliged to pay any claim or judgement or to defend any claim or legal action after the limit of liability has been exhausted by payment of judgments or settlements
- (e) If a payment exceeding the limit of liability has to be made to dispose of a claim, the liability of the Company to pay any costs, expenses and interest under (a) to (d) in 'Defence of claims' above 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.

Any amount paid, other than payments in settlement of claims, suits and all costs awarded against the Insured, are payable by The Company over and above the limit of liability set out in the Policy Schedule.

What the Company will pay

Limit of Liability

The 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 event will not exceed the limit of liability shown on the Policy Schedule.

Deductible

'Deductible' means the first amount the Insured must contribute to any claim made under this Policy. For most claims made on this Policy, the Insured will have to pay the deductible which is shown on the Policy Schedule.

If more than one deductible is payable under this Policy for any claim, or series of claims arising from the one event The Insured must pay the highest deductible, but only one deductible.

EXCLUSIONS APPLYING TO SECTION TWO

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

This Policy does not cover:

1. Employment Liability 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, or

Provided that if the Insured is:

- (c) 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
- (d) not required to so insure or otherwise fund 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 liability of the Insured would not be covered under such fund, scheme, policy of insurance or self insurance arrangement had the Insured complied with their obligations pursuant to such law.

There is no cover under this Policy for and in respect of employment practices.

2. Property in custody or control

Property damage to:

- (a) property owned by or leased or rented by the Insured, or
- (b) property in the physical or legal control of the Insured.

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

- (c) premises (including landlord's fixtures and fittings) which are leased or rented by the Insured
- (d) premises (or their contents) not owned, leased or rented but temporarily occupied by the Insured for work therein
- (e) vehicles (not belonging to or used by the Insured) in the physical or legal control of the Insured where the property damage occurs while the vehicles are in a car park owned or operated by the Insured, unless the Insured owns or operates the car park for reward
- (f) the property of an employee of the Insured or of the parties shown in paragraph (1) of the definition of 'the Insured'
- (g) other property (excluding any vehicle which is registered or which is required under any legislation to be registered) temporarily in the physical or legal control of the Insured provided no indemnity is granted for liability in respect of physical damage to or destruction of that part of any property upon which the Insured is or has been working on and limit under this clause 5(g) does not exceed \$50,000 for any one occurrence and in the aggregate for any one period of insurance.

Provided that the Company will not cover the Insured under this Policy in respect of liability assumed by the Insured under any contract or agreement which requires the Insured to effect material damage insurance on premises, property or goods which are not owned by the Insured.

3. Product defect

Property damage to the products of the Insured if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

4. Loss of use

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

5. Product recall

Claims arising out of or resulting from any loss, cost or expense incurred by the Insured for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of the products of the Insured or of any property of which they form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition in them.

6. Aircraft, aircraft products and watercraft

Claims arising out of

- (a) the ownership, maintenance, operation or use by the Insured or on behalf of the Insured of;
 - (i) any aircraft, or
 - (ii) any watercraft exceeding 10 metres in length, except where such watercraft are owned or operated by others and used by the Insured for business entertainment, or
 - (iii) Hovercraft
- (b) products of the Insured that are aircraft component parts used for maintaining an aircraft in flight or moving upon the ground or used in the construction of an aircraft hull or machinery which to the knowledge of the Insured are incorporated in an aircraft.

7. Vehicles

Personal injury or property damage arising out of the ownership, possession, operation, maintenance or use by or on behalf of the Insured 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 7(a) and (b) above do not apply to:

- (c) personal injury where;
 - (i) that compulsory liability insurance or statutory indemnity 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 the Insured of legislation relating to vehicles.
- (d) property damage arising out of and during the loading or unloading of goods to or from any vehicle.
- (e) Property damage caused by or arising from the operation or use of any vehicle which is designed primarily for lifting, lowering, loading, unloading, while being operated or used by or on behalf of the Insured within the confines of the contract site or the premises of the Insured.
- (f) Property damage caused by the use of any tool or plant forming part of or attached to used in connection

with any vehicle (excluding while the vehicle is travelling, transporting or carting goods) at any work site.

8. Contractual Liability

Any obligation assumed by the Insured under any agreement or contract except to the extent that:

- (a) the liability would have been implied by law
- (b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges the Insured to effect insurance or provide indemnity in respect of the subject matter of that contract
- (c) the liability is assumed by the Insured under a warranty of fitness or quality as regards to the products of the Insured.

9. Professional liability

The rendering of or failure to render professional advice or service by the Insured or any related error or omission, but this exclusion does not apply to:

- (a) The rendering of or failure to render professional medical advice by medical persons employed by the Insured to provide first aid and other medical services on the premises of the Insured, or
- (b) personal injury or property damage arising from such rendering of or failure to render professional medical advice or service, providing such professional advice or service is not given for a fee.

10. Libel and Slander

The publication or utterance of a libel or slander or other defamatory or disparaging materials:

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

11. Pollution

- (a) Personal injury or property damage caused by or arising out of the discharge, dispersal, release, seepage, migration or escape of pollution 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 the 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 discharged, dumped, abandoned or thrown away by others.
- (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 other country to which the laws of the United States of America or Canada apply:

The liability of the Company under clauses 11(a) and 14(b) above in respect of discharge, dispersal, release,

seepage, migration or escape and for all discharges, disposals, releases and escape of pollutants during any one period of insurance will not exceed the limit of liability.

12. Territorial Limits

- (a) Claims made or actions instituted within any country, state or territory (outside Australia) that require insurance to be insured or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance.
- (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 and Canada.
- (c) Claims are actions to which the laws of the United States of America or Canada apply.

Provided that:

(d) exclusions 12(b) and 12(c) above do not apply to claims and actions arising from the presence outside Australia of any employees of the Insured 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.

The limit of liability in respect of coverage provided under paragraph 12(d) is inclusive of all costs, expenses and interest are set out in 'Defence of claims' of this policy.

13. Exports to the USA or Canada

Claims in respect of personal injury or property damage caused by or arising out of the products of the Insured knowingly exported by the Insured, or the agents or servants of the Insured, to the United States of America or Canada.

14. Asbestos

Personal injury or property damage (including loss of use of property) directly or indirectly caused by or arising from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

15. Faulty workmanship

Property damage to that part of any property upon which the Insured is or has been working where the property damage arises from the work of the Insured or the cost of performing, correcting or improving any work undertaken by the Insured.

16. Fines, Penalties:

Fines, penalties or liquidated damages.

17. Punitive damages

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

18. Assault and battery

Personal injury or property damage caused by or arising from assault and battery committed by or at the direction of the Insured unless reasonably necessary for the protection of persons or property.

19. Tobacco

Personal injury arising directly or indirectly out of or due to the inhalation or ingestion of, or exposure to:

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

20. Information Technology Hazards, Computer Data, Program and Storage Media Exclusion

- (a) Personal injury or property damage arising, directly or indirectly out of or in any way involving the internet operations of the Insured, or
- (b) Property damage to computer 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 or on behalf of the Insured
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by the computer virus.

But 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 the internet operations of the Insured, and nothing in this exclusion will be construed to extend coverage under this policy to any liability which would not have been covered in the absence of this exclusion.

21. Personal Injury or property Damage arising out of or caused by or in Connection with the demolition of any structure exceeding 10 metres in height unless expressly agreed upon and noted in the Policy Schedule.

CONDITIONS APPLYING TO SECTION TWO

1. DISCHARGE OF LIABILITIES

The Company may at any time pay to the Insured in respect of all claims arising from an Occurrence the balance of the Limit of Liability or any smaller amount for which the claim or claims can be settled and upon that payment the Company will relinquish conduct and control of and be under no further liability under this Section of the Policy in connection with those claims except for costs, charges and expenses:

- (a) recoverable from the Insured for all or part of the period to the date of such payment;
- (b) incurred by the Company;
- (c) incurred by the Insured with the written consent of the Company prior to the date of such payment.

2. CUTTING HEATING AND WELDING

The Company will not be liable for claims for Personal Injury or Property Damage arising directly or indirectly out of cutting, heating and welding operations unless the Insured has complied with the Australian Standards Fire Precautions "Safety in Welding and Allied Processes" or any subsequent amendments.

3. EXCAVATION AND UNDERPINNING

The Company will only be liable for claims for Personal Injury or Property Damage arising as the result of an Occurrence happening in connection with any excavation or underpinning work carried out by the Insured subject to the following conditions:

- (a) the excavation or underpinning work is carried out in strict accordance with the plans and specifications for such work and at the direction of the design engineer.
- (b) Any surrounding structures that could be affected by such excavation or underpinning work have, prior to the commencement of such work, a Conditions Report produced which details the existing condition of such structures.

CONDITIONS APPLYING TO SECTIONS ONE AND TWO
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1. OBSERVANCE OF CONDITIONS

The Insured, its employees and agents must comply with and observe all the Conditions of this Policy insofar as they relate to anything to be done or complied with by the Insured.

2. PRECAUTIONS

The Insured, its employees and agents must, at the Insured's expense, use due diligence to:

- (a) take all reasonable precautions to prevent loss or damage.
- (b) comply with all reasonable recommendations made by the Company to prevent loss or damage.
- (c) comply with all statutory requirements and recommendations of manufacturers or suppliers.

3. COMPANY'S RIGHT OF INSPECTION

The Company, its employees and agents will at any reasonable time have the right to inspect and examine at the Contract Site and any other location, any item, plant or equipment associated directly or indirectly with the risk the subject of this Policy and the Insured must provide to the Company, its employees or agents all details and information which it may reasonably require.

4. ALTERATIONS OF RISK

The Insured must notify the Company as soon as possible by facsimile or email of any material change in the risk or the nature of the risk and confirm such notification by providing full details in writing. In such event the Insured must at its own expense take such additional precautions to minimise the risk of any loss or damage and must comply with any reasonable directions or requirements of the Company. The scope of cover and premium will, if necessary, be adjusted by the Company accordingly. No material alteration will be made or allowed by the Insured whereby the risk is increased unless agreed to in writing by the Company.

Material change will include (but not be limited to) alteration in design, materials, construction programme or the method of construction.

5. NOTICE AND CLAIMS

5.1 Following discovery of any loss or damage which might give rise to a claim under this Policy, the Insured must:

- (a) notify the Company as soon as possible by facsimile, email or telephone and confirm such notification in writing giving an indication of the nature and extent of the loss or damage.

- (b) take all steps within the power of the Insured to minimise the extent of the loss or damage.
 - (c) preserve the parts affected and make them available for inspection by the Company, its employees or agents.
 - (d) furnish all such information and documentary evidence as the Company may reasonably require.
 - (e) notify the Police of any actual or attempted theft, burglary or malicious damage.
- 5.2** Upon notification of any loss or damage being given to the Company, the Insured may carry out repairs or make good any minor damage, but in all other cases the Insured must give the Company, its 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 behalf of the Company within a period of time which is reasonable having regard to the location of the risk, weather conditions and any other relevant factors, the Insured may proceed with such repairs or replacement.
- 5.3** The Company will not pay for any additional damage to any item caused by the failure to repair that item properly and without delay.

6. SUBROGATION

The Insured will at the request and at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from any parties to which the Company will be or would become entitled or subrogated upon its paying for or making good any loss or damage under this Policy, whether such acts or things will be or become necessary or required before or after their indemnification by the Company. The Insured will not in any case be entitled to abandon any property to the Company.

7. INTERESTS OF OTHER PARTIES

The Company will not be required to recognise the interests of any third party under this Policy.

8. OTHER INSURANCE

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

9. REINSTATEMENT OF SUM(S) INSURED

Following payment of a claim under this Policy the Company will reinstate the Sum(s) Insured, provided the Insured pays any additional premium on the amount of Insured 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 Insured Damage to the expiry of the Period of Insurance as stated in the Policy Schedule.

10. PREMIUM ADJUSTMENT

Within one month of expiry of the Policy Period or the anniversary date of cancellation or non-renewal, the Insured will declare the actual Turnover of all Construction Contracts insured under this Policy since the commencement of the Policy Period.

The Premium will be determined by applying the Rate to the actual Turnover and be compared with the Provisional Premium. The Insured will pay or the Company will refund the difference as the case may be.

Provided always that the Company will not be called upon to refund more than 50% of the Provisional Premium.

11. ADEQUACY OF SUMS INSURED

It is a condition of this policy that the Sums Insured nominated in the Policy Schedule, for the following items, are not less than:

- for Existing Structures the replacement value;
- for items of plant, equipment, tools, cranes, hoists and mobile construction machinery the actual current market value and the commencement of the Construction Period.

In the event of Insured Damage it is found that the sum insured is less than ninety (90) percent of the amounts required to be insured as above the amount payable by the Company in respect of these items will be reduced by such proportion as the sum insured bears to ninety (90) percent of the amounts required to be insured.

Provided further that the above clause shall not apply if the amount of Insured Damage does not exceed five (5) percent of the value of the item insured.

12. LOSS ACCUMULATION

For the purpose of the application of the Deductible, any Insured Damage arising during any one period of seventy two (72) consecutive hours caused by flood, storm earthquake or bushfire, shall be deemed to be a single event and therefore to constitute one loss. The Insured may select the time from which any such period shall commence but no such two selected periods shall overlap.

13. INTERNAL FINISHES

Prior to the installation of any internal finishes including but not limited to floor coverings, wall and ceiling panels, ceiling tiles, other linings the Contract Works must be made weather proof by the sealing of all windows, glazing, external walls, roof and floor openings against the ingress of water.

14. PARTIAL OCCUPATION

If the whole or part of the Contract Works is taken over, occupied or put into use by the Insured or by others with the permission of the Insured prior to completion the Company shall not be liable for Insured Damage or Liability in respect of:

- the occupants or their property;
- the Contract Works

15. REASONABLE CARE AND PRECAUTIONS

The Insured must take reasonable care and precautions:

- (a) to prevent Personal Injury and Property Damage,
- (b) to comply with all laws and statutory obligations, bylaws 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 at all times that the operations at the Contract Site are carried out so as to minimize the risk of any claim being made against this policy.

16. POLICY CANCELLATION

The policy may be cancelled:

- (a) By the Insured giving written notice to the Company such notice to be effective when received by the Company who may retain or be entitled to the premium for the period during which the Policy was in force plus 10% of the premium for the unexpired Period of Insurance
- (b) In the event that the Contract Works are completed prior to the Construction Period expiry date specified in the Policy Schedule, no return premium will be allowed for the unexpired portion of the Construction Period.
- (c) By the Company in accordance with the provisions of the Insurance Contracts Act 1984 and the Insured shall be entitled to a refund of the premium in respect of the unexpired Period of Insurance.

17. CONTRACT WORKS COMPLETION

In the event that the Contract Works are completed prior to the Construction Period expiry date specified in the Policy Schedule, no return premium will be allowed for the unexpired portion of the Construction Period

18. JURISDICTION

All disputes arising out of or under this policy will be subject to determination by any court of competent jurisdiction within Australia

19. INSURANCE CONTRACTS ACT 1984

Nothing contained in this Policy is to be construed to reduce or waive either the Insureds or the Companies privileges, rights or remedies available under the Insurance Contracts Act 1984

20. DUE OBSERVANCE

If the Insured fails to comply with any term, condition or provision of the Policy the Company may refuse to pay a claim but in any event the Companies rights will be subject to the provisions of Section 54 of the Insurance Contracts Act 1984

21. JOINT INSUREDS

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 shall 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 in the limit of liability in respect of any one occurrence or Period of Insurance.

22. TOTAL CONTRACT PRICE

The sum insured for Total Contract Price shall be the estimated full value of the Contract Works at completion of the Construction Period inclusive of Contract Price, all materials to be incorporated in the works (including Materials supplied by the Principal) wages, freight and customs duties and dues.

EXCLUSIONS APPLYING TO SECTIONS ONE AND TWO

The Company will not indemnify the Insured for Insured Damage or Liability as a consequence of:

1. War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, confiscation or nationalisation or requisition or destruction or damage to property by or under the order of any government or public or local authority, or

2. Any act(s) of terrorism

For the purpose of this exclusion, 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:

• involves violence against one or more persons, or

• involves damage to property, or

• endangers life other than that of the person committing the action, or

• creates a risk to health or safety of the public or a section of the public, or

• is designed to interfere with or to disrupt an electronic system.

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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 1, 2 or 3 above.

4. Any wilful act, omission, or recklessness of the Insured or the agents or employees of the Insured.

5. Insured Damage to electronic data provided that this exclusion does not apply to Insured Damage caused by or arising out of fire, lightning, explosion, implosion, earthquake, volcanic eruption, subterranean fire, storm, tempest, rainwater, water or other liquids leaking, discharged or overflowing from any pipe, appliance or other apparatus, impact, aircraft and other aerial devices, sonic boom or theft of computers or other electronic hardware containing electronic data, riots, strikes and civil commotion, the actions of strikers or other labour disturbances.