

A photograph of two construction workers in white hard hats and orange safety vests, smiling and looking at a large set of blueprints they are holding together. In the background, a tall yellow construction crane is visible against a clear blue sky.

Construction Insurance – Annual

Policy Document.

Allianz 

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Introduction

About Allianz

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

Purpose of this insurance

In summary, this insurance provides two types of cover:

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

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

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

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

Basis on which We insure You

Where We agree to insure You, We do so:

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

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

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

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

Your Duty of Disclosure

Before You enter into a contract of insurance with Us, You have a duty under the Insurance Contracts Act 1984 to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the contract.

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or
- as to which compliance with Your duty is waived by Us.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim, cancel the contract or both.

If Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

Privacy notice

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

How We collect Your personal information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We collect Your personal information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; offer Our products and services and those of Our related companies, brokers, intermediaries and business partners that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive product or service offerings from Us (including product or service offerings from Us on behalf of Our brokers, intermediaries and/or Our business partners) or Our related companies by calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to Our website's Privacy section at www.allianz.com.au.

Who We disclose Your personal information to

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which You purchased Your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure Overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to Your personal information and complaints

You may ask for access to the personal information We hold about You and seek correction by calling 1300 360 529 EST 8am-6pm, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how We deal with complaints. Our Privacy Policy is available at www.allianz.com.au.

Telephone call recording

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where We have recorded a telephone call, We can provide You with a copy at Your request, where it is reasonable to do so.

General Insurance Code of Practice

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

Dispute resolution process

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

GST notice

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

Sums insured

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

Claim settlements – Where We agree to pay

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

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

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

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

Disclosure – Input Tax Credit entitlement

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

Terrorism Insurance Act

We have determined that this Policy (or part of it) is a Policy to which the Terrorism Insurance Act 2003 applies. We have reinsured Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC). As a consequence, We are required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the legislation) is reflected in the premium charged to You. As with any other part of Our premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Allianz or Your intermediary.

General definitions applicable to all Sections of this Policy

Except where stated otherwise within a particular Section of this Policy, for the purpose of this Policy the following definitions apply.

“Allowable Categories” are Contract Works of a type specified in the Schedule as an allowable category.

“Business” means the business described in the Schedule, carried on by You or on Your behalf and any trade or occupation carried on by You incidental to that business.

“Contract Construction Period” means the construction period specified in the Insured Contract.

“Contract Site” means the contract site anywhere within the area stated in the Schedule (but always within the Commonwealth of Australia), where the Contracts Works are carried out, and in respect of materials, whilst stored on adjacent property.

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

The Contract Works does not include pre-existing Property, Construction Plant and Machinery or Tools of Trade. Cover for such items can be obtained if requested and agreed to by Us for an additional premium.

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

“Insured Construction Period” means, for each Insured Contract, the period starting on the date of possession of each Contract Site by the contractor, or the commencement date of the Contract Works at the Contract Site, whichever is the later and ending at the earlier of:

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

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

“Insured Contract” means the contract or agreement entered into by the Named Insured which gives rise to the Contract Works and includes any sub-contract or sub-agreement which is directly connected to the contract or agreement, which:

1. does not have an estimated final contract value (including the sub contracts or sub agreements) that exceeds the Contracts Works Sum Insured at its commencement;
2. is of a contract type within the Allowable Categories; and
3. which does not have an Insured Construction Period greater than the Maximum Construction Period at its commencement.

However:

1. If the Schedule states this Policy is on a “Contracts Commenced” basis, it only covers such contracts or agreements that first commence during the Period of Insurance.
2. If the Schedule states this Policy is on a “Transfer” basis, it only covers such contracts or agreements that first commence during the Period of Insurance and those still within their Contract Construction Period or Maintenance Period (as the case may be) immediately prior to the start of the Period of Insurance.

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

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

1. a maximum period of 12 months thereafter or if a different Maintenance Period is stated in the Schedule, then that period; or
2. any lesser maintenance period as may be specified in each Insured Contract; or
3. If this Policy is on a “Transfer” basis, the end of the Period of Insurance.

“Maximum Construction Period” means the later of 12 months after commencement of the Insured Contract or such greater Maximum Construction Period stated in the Schedule.

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

“Period of Insurance” means the period of insurance stated in the Schedule. However, if this Policy is on a “Contracts Commenced” basis, and if required by an Insured Contract entered into before the expiry of the period of insurance specified in the Schedule, the Period of Insurance is extended for those Insured Contracts only until completion of the Insured Contract’s Maintenance Period.

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

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

“Turnover” means the total value of all work performed (including all materials, components and principal supplied items) on Insured Contracts:

- if this Policy is on a “Contracts Commenced” basis – during the Period of Insurance applicable to these Insured Contracts;
- if this Policy is on a “Transfer” basis – during the Period of Insurance applicable to these Insured Contracts.

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

“You”, “Your” or “Yours”

1. the Named Insured;
2. any principal, contractor or project manager that is a legal entity or a natural person that the Named Insured has entered into a written contract with for the performance of any part of the Insured Contract, but only for their interest (financial, legal or equitable) and involvement in the Insured Contract, and only to the extent this insurance (or part of it) is required for such interest under the Insured Contract;
3. all sub-contractors to the entities noted in paragraphs 1. and 2. above (including their sub- contractors of any tier), but only whilst acting in the scope of their duties as sub-contractors in relation to the Insured Contract and only to the extent this insurance (or part of it) is required for such interest under the Insured Contract;
4. all subsidiary companies or related companies of the Named Insured (as defined by the Corporations Act 2001 (Cth) or any other relevant Australian companies legislation in place from time to time) now or hereinafter constituted whose places of incorporation are within Australia including its mandates territories and protectorates, who are parties to the Insured Contract or have an interest (financial, legal or

equitable) and involvement in the Insured Contract, but only for their interest and involvement and only to the extent this insurance (or part of it) is required for such interest under the Insured Contract;

5. any Director, Executive Officer, Employee, Partner or Shareholder of the entities noted in paragraph 1. above or of a company designated in paragraph 3. above, but only whilst acting within the scope of their duties in such capacity;
6. any legal entity identified by name in the Schedule as having an interest (financial, legal or equitable) in the Contract Works, but only in respect of the insurance provided under Section 1. and only to the extent of such interest and to the extent this insurance (or part of it) is required for such interest under the Insured Contract;
7. any supplier or manufacturer to the entities noted in paragraphs 1., 2. or 3. above, being a legal entity with whom such supplier has entered into an agreement for the supply of any physical items of the Insured Contract(s), but only to the extent required by such agreement and only for their on-site activities at the Contract Site;
8. any architect, engineer, quantity surveyor or other professional consultant to the entities noted in paragraphs 1., 2. or 3. above being a legal entity who is required under contract conditions to be included as an insured, but only in relation to their manual on-site activities associated with the Contract Works and only to the extent this insurance (or part of it) is required for such interest under the Insured Contract;
9. the officers, committee members and members of the Named Insured's canteen, social, sports, medical, firefighting and welfare organisations in their respective capacity as such.

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

Section 1 – Material damage

Definitions applicable to this Section

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

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

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

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

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

The Cover

Insuring clauses

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

1. Construction

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

2. Maintenance

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

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

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

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

3. Partial handover of the Contract Works

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

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

4. Construction Plant and Machinery

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

5. Tools of Trade

for Tools of Trade owned by, or which are the responsibility of or in the care, custody or control of the Named Insured while secured in a locked cabinet or similar security arrangement when not in use but not while on or while being removed from a waterborne craft, unless agreed and acknowledged by Endorsement, against an Indemnifiable Event occurring and discovered both at the Contract Site and during the Insured Construction Period.

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

6. Materials in transit

for materials and components intended for incorporation into the Contract Works, for an Indemnifiable Event that occurs whilst in transit within Australia to the Contract Site by road, rail or by a licensed airline operating a regular scheduled service, beginning with the commencement of the loading in an undamaged condition, continuing through the transit and ending with the arrival and unloading at the Contract Site.

7. Materials in storage

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

Additional benefits

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

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

1. Removal of Debris

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

2. Professional fees

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

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

3. Expediting expenses

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

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

4. Employees' effects

an Indemnifiable Event to the Named Insured's employees' effects at the Contract Site. Our maximum liability under this Additional benefit will not exceed the sum of \$1,000 after the application of a Deductible of \$100 for each employee making a claim.

Employee effects do not include lap top computers, mobile telephones, two way radios or other voice transmitters or receivers or personal organisers or cameras, unless shown in the Schedule.

Our liability for Additional benefits 5. – 8. will be limited to:

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

5. Mitigation costs

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

6. Temporary protection

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

7. Government fees

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

8. Escalation allowance

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

Sum(s) Insured and Total Sum Insured

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

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

Basis of Settlement applicable to this Section

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

- a) in the case of covered damage which can be repaired, the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less any salvage. If the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, settlement will be made on the basis provided for in b) below; or
- b) in the case of covered damage not caught by a) above or a total loss, the actual value of the items immediately before the occurrence of the loss less any salvage;
- c) in the case of covered damage, which can be repaired and where repairs are carried out by You to the damaged property, We will also pay:
 - a reasonable margin for profits that You would have made; and
 - any overheads You would have incurred in repairing similar property, as determined by Us.

Clauses b) and c) only apply 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 Total Sum Insured for this Section 1.

Where We have agreed to pay a claim under this Section 1. and the claim settlement amount has been agreed by Us, if Our total liability of such claim is estimated to exceed \$50,000, after the application of any deductible, We will pay at Your request progress payments for the claim, provided that the amounts and intervals of such progress payments are agreed by Us.

All damage which can be repaired must be repaired.

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

We will not pay for:

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

Application of Deductible

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

Exclusions applicable to this Section

This Section does not cover:

1. Breakdown and explosion

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

2. Cash and securities

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

3. Design, plan or specification

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

4. Dewatering

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

5. Gradual deterioration

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

6. Insects, corrosion, pollution or contamination

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

- a) the actions of moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in texture or finish;
- b) pollution or contamination, including but not limited to smoke or smut from industrial operations.

7. Internal finishes

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

8. Inventory shortage

inventory shortages not caused by an indemnifiable event.

9. Materials or workmanship

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

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

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

- a) due to foreign matter being maliciously placed in the above property whilst it is left unattended, if such loss or damage could have been avoided had locking devices to the fuel, lubrication and hydraulic systems been installed and activated;
- b) due to wear and tear, corrosion or rust or deterioration due to lack of use or normal atmospheric conditions;

- c) occurring whilst any insured item is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- d) resulting from partial or total immersion in water due to tidal movement;
- e) whilst underground unless otherwise agreed by Endorsement;
- f) that is a tyre or wheel rim and caused by the application of brakes, road punctures, cuts and bursts;
- g) that is a mobile phone or CB radio.

11. Upkeep

the cost of normal upkeep or routine making good.

12. Vegetation

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

13. Vehicles or trailers

loss or damage to vehicles or trailers licensed for general road use unless these vehicles are used exclusively at the Contract Site.

14. Watercraft or aircraft

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

Conditions applicable to this Section

1. Obligation to ensure the continuing adequacy of the Sum Insured or Maximum Construction Period

Sums Insured

For Contract Works, the Sum Insured stated in the Schedule for any Insured Contract must not be less than the expected combined maximum value of the contract price and principal supplied materials or items of the Insured Contract.

If the estimated value of an individual Insured Contract increases during the Contract Construction Period beyond the Contract Works Sum Insured stated in the Schedule, the Sum Insured for Contract Works will also increase by the Escalation Allowance.

Any increase in the estimated value of an Insured Contract that results in the escalation allowance being exceeded must be notified to Us. No additional cover is provided until and unless the Named Insured makes a specific request for an extension of the Contract Works Sum Insured, which must be then accepted in writing by Us.

Maximum Construction Period

If the Contract Construction Period of an Insured Contract increases beyond the Maximum Construction Period after commencement, the Named Insured must notify Us of this. You will not be insured beyond the Maximum Construction Period specified in the Policy. The Named Insured may make a specific request for an extension of the Maximum Construction Period. We will consider the request and may make an offer to extend on (conditions) including payment of additional premium.

2. Partial handover of Contract Works

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

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

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

3. Reinstatement of Sum(s) Insured

Following the payment of a claim under this Policy We will reinstate the Sum(s) Insured, provided the Named Insured pays any additional premium that may be required by Us.

Section 2 – Third party liability

Definitions applicable to this Section

“Aircraft” means any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space, other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

“Compensation” means monies paid or payable by judgment or settlement together with any liability on Your behalf to pay legal costs and expenses (other than those amounts referred to in ‘Defence Costs’) for Personal Injury or Property Damage in respect of which this insurance applies.

“Completed Works or Products” means anything (after it has ceased to be in Your possession or under Your control) which is or is deemed to have been manufactured, constructed, grown, extracted, produced, processed, assembled, erected, installed, repaired, serviced, renovated, assembled, imported, sold, supplied or distributed by You including any container other than a Vehicle associated with such container.

“Employment Practices” means any act which is considered wrongful or unfair dismissal, denial of natural justice, defamatory or misleading representation or advertising and sexual harassment or discrimination, but only as it applies with respect to employment or prospective employment by You of a person as an employee or prospective employee whether full, part time or casual including any person engaged as a volunteer or for work experience.

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

“Incidental Contracts” means:

- a) any written rental agreement or lease of real property which does not impose on the Named Insured:
 - (i) an obligation to insure such property; or
 - (ii) any liability regardless of fault;
- b) any written contract with any authority for the supply of water, gas, electricity or telephone services, except those contracts in connection with work done for such authorities.

“Limit of Liability” means the amount stated in the Schedule. This is Our maximum liability in respect of any one Occurrence. However, in respect of Completed Works or Products the Limit of Liability is Our maximum liability for all claims during the Period of Insurance.

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

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

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

“Occurrence” means an event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury or Property Damage, neither expected nor intended from Your standpoint. All events of a series, consequent on or attributable to one source or original cause, are deemed one Occurrence under the Policy.

“Personal Injury” means:

- a) bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury;
- b) (i) false arrest, wrongful detention, false imprisonment, malicious prosecution;
- (ii) the publication or utterance of a statement that is libelous or slanderous, or of other defamatory or derogatory material, or a publication or utterance in violation of any individual’s right of privacy except:
 - when the first such publication or utterance is related to any publication or utterance made prior to the commencement of this Policy; or
 - when any such publication or utterance is made in the course of or is related to advertising, broadcasting, telecasting or publishing activities conducted by or on behalf of You;
- (iii) wrongful entry or wrongful eviction or other invasion of the right to private occupancy;
- (iv) assault and battery, not committed by or at the direction of You unless committed for the purpose of preventing or eliminating danger to persons or property;
- (v) discrimination as a result of race, religion, sex, age, marital status, or intellectual or physical impairment or disability.

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

“Property Damage” means:

- a) physical damage to, destruction of or loss of tangible property, but not any of the Contract Works or items of property that form part of the Contract Works or

other property covered under Section 1, happening during the Period of Insurance including any resultant loss of use; or

- b) loss of use of tangible property which has not been physically damaged or destroyed, but not any of the Contract Works or items of property that forms or formed part of the Contract Works or other property covered under Section 1, provided such loss of use is caused by physical damage of other tangible property happening during the Period of Insurance.

“Territorial Limits” means:

- a) anywhere within Australia or its external territories;
- b) elsewhere in the world except the United States of America, Canada and their respective protectorates and territories if the Personal Injury arises from Products exported into such countries, or the activities of travelling executives and salesmen on business who are non-resident in such countries.

“Vehicle” means any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

“Watercraft” means any vessel, craft or thing made or intended to float on or in or travel on, through or under the water.

The Cover

Insuring clause

We will pay all sums which You become legally liable to pay as Compensation in respect of:

- a) Personal Injury; or
- b) Property Damage,

happening during the Period of Insurance as a result of an Occurrence within the Territorial Limits, in connection with Your Business or Your Completed Works or Products.

Limit of Liability

Unless otherwise stated in the Policy Our maximum liability in respect of any one Occurrence will not exceed the Limit of Liability stated in the Schedule.

Our maximum liability for all claims arising from Your Completed Works or Products during the Period of Insurance shall not exceed the Limit of Liability.

Defence costs

With respect to claims for which indemnity is granted under the Insuring Clause of Section 2 of this Policy, in addition to the Limit of Liability, We will pay:

1. all reasonable legal defence costs and expenses incurred by Us, or by You with Our written agreement, in the investigation, reporting, settlement or defence of any claim;
2. all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the Limit of Liability;
3. legal costs and expenses for representation at any coronial inquest or accident inquiry, incurred by You with Our written agreement;
4. premium on appeal bonds or security for costs, but We will have no obligation to apply for or furnish any such bond or security;
5. premium on bonds to release attachments for amounts not exceeding the Limit of Liability, but We will have no obligation to apply for or furnish any such bond or security;
6. all reasonable expenses incurred by You for rendering of first aid or other medical service to others at the time of a Personal Injury (other than the payment of any medical expense which We are prevented by law from paying); and
7. costs incurred for the temporary protection of property, including temporary repairs or protection of property of others that has been damaged as a result of an Occurrence which is the subject of indemnity under Section 2 of this Policy.

Defence costs are payable subject to the following:

- a) We may, in Our absolute discretion, choose to pay You the Limit of Liability where We consider that the Limit of Liability is likely to be exhausted by payment of Compensation. If We choose to do this, We shall have no further obligation to pay any Defence Costs or to defend any suit on Your behalf.
- b) If a payment exceeding the Limit of Liability has to be made to dispose of a claim, Our liability for any Defence Costs We are obliged to pay is limited to the proportion that the Limit of Liability bears to that payment.
- c) In jurisdictions where We may not legally be permitted to, or cannot for any other reason, defend any claim or suit against You, We shall pay any Defence Costs incurred with Our written consent (which consent shall not be unreasonably withheld or delayed).

Application of Deductible

You must pay the Deductible in a manner and at such time as required by Us.

If more than one Deductible is payable under this Section of the Policy for any one claim or series of claims arising from one Occurrence, the highest Deductible is the only Deductible payable.

Exclusions applicable to this Section

Section 2 of this Policy does not provide indemnity in respect of claims caused by, or arising from:

1. Aircraft, Hovercraft and Watercraft

the ownership, possession, maintenance, repair, operation or navigation of any:

- a) Aircraft or Hovercraft; or
- b) Watercraft exceeding 10 metres in length while on, in or under the water.

2. Aircraft Products

any product designed or manufactured for the purpose of controlling, guiding, propelling or other capabilities or attributes related to the mobility or direction of an Aircraft or other products which are actually incorporated, with Your knowledge, into an Aircraft for such purposes.

3. Asbestos

asbestos or any asbestos contained in other materials regardless of the form and quantity of asbestos.

4. Completed Works or Products

- a) Personal Injury or Property Damage happening in connection with Completed Works or Products during the extended period of insurance referred to in the definition of Period of Insurance.
- b) The removal, withdrawal, recall, inspection, repair, reconditioning, replacement or loss of use of Completed Works or Products or any property of which Completed Works or Products form part, if such Completed Works or Products, or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.
- c) Any defective design, plan or error in formula or specification in any Completed Works or Products.

5. Contractual liability

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

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

6. Employer's liability

any liability:

- a) in respect of which You are or would be entitled to indemnity under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers' compensation whether or not such insurance has been effected; or
- b) imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination; or
- c) relating to Employment Practices.

7. Faulty workmanship and/or materials

Property Damage to:

- a) any Completed Works or Products resulting from or attributable to any defect therein or the harmful nature or unsuitability thereof;
- b) any part of any property that must be repaired, reconditioned or replaced by reason of incorrect work performed by You or on Your behalf, or by reason of materials or equipment which are or are proved to be defective or inadequate in connection with such work. But this exclusion does not apply to Property Damage resulting from such work.

8. Fines and penalties

finer or financial penalties, punitive, exemplary, aggravated or multiple damages whether imposed through a court of law, legislation or under contractual arrangement or otherwise.

9. Loss of use

the loss of use of tangible property which has not been physically damaged or destroyed resulting from a delay in or lack of performance by You or on Your behalf of any contract.

This exclusion will not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of the Completed Works or Products or any other work performed by You or on Your behalf after the Completed Works or Products or any other work performed by You has been put to its intended use by any person or organisation other than You.

10. Pollution

the discharge, dispersal, release, seepage, migration or escape of Pollutants, including the cost of testing, monitoring, treating, detoxifying, removing, neutralising or cleaning up Pollutants or preventing the escape of Pollutants from any premises owned or operated by You or on which You have property or conduct Your Business.

However, other than in respect of preventing the escape of Pollutants from any premises owned or operated by You or on which You have property or conduct Your Business, We will cover liability for Personal Injury or Property Damage otherwise excluded under this exclusion which arises from an event which is:

- a) sudden, accidental, unintended and unexpected event from Your standpoint; and
- b) which has been identified to have taken place in its entirety at a specific time and place; and
- c) which occurs outside of the United States of America, Canada and their respective protectorates and territories.

11. Professional liability

the rendering of or failure to render professional advice or service by You. This exclusion will not apply to:

- a) the rendering of or failure to render medical advice or service by Medical Persons employed by You to provide first aid and other medical services on Your premises to employees or to persons other than employees in the event of an emergency; or
- b) Personal Injury or Property Damage where such breach of duty arises out of advice or service given gratuitously;
- c) Personal Injury or Property Damage arising from advice given in respect of the use or storage of Your Products.

12. Property in physical or legal control

Property Damage to property owned by You or in Your care, custody or control other than:

- a) premises tenanted, leased or hired by You;
- b) Vehicles (other than Vehicles owned or used by You or on Your behalf) in Your care custody or control, but only whilst such Vehicles are in a car park owned or operated by You other than for income or reward as a car park operator; or
- c) Your directors', employees' and visitors' clothing and personal effects; or
- d) other property temporarily in Your care, custody or control, subject to Our maximum liability arising out of the cover afforded by this clause d of \$100,000 each and every Occurrence and in the aggregate for the Period of Insurance. However, no indemnity is granted for liability in respect of physical damage to, destruction of or loss of any of the Contract Works or items of property that form part of the Contract Works or other property covered under Section 1 of this Policy.

13. Underground services

Property Damage to underground services including their contents, or any consequential loss arising therefrom, unless prior to the commencement of the work You have obtained instructions from the appropriate authority or owner as to the precise location of the pipes or cables, followed those instructions and taken reasonable care to avoid contact or impact with such pipes or cables.

14. Vehicles

the use of a Vehicle owned by You or in Your physical or legal control:

- a) 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.

This exclusion will not apply to:

- (i) a Vehicle (other than a Vehicle owned or used by or on Your behalf) whilst that Vehicle is in a car park owned or operated by You other than for income or reward as a car park operator; or
- (ii) Personal Injury or Property Damage occurring during the loading or unloading of a Vehicle caused by or arising from the collection or delivery of any goods from or to the Vehicle where such Personal Injury or Property Damage occurs beyond the limits of any carriageway or thoroughfare or on or adjacent to the Contract Site, and where applicable legislation does not require insurance against such liability;
- (iii) Personal Injury or Property Damage arising from the use of any Vehicle as Mobile Plant.

15. Vibration, removal and/or weakening of support

Property Damage directly or indirectly arising from underpinning, shoring, dewatering, subsidence, collapse, vibration or the removal or weakening and/or interference with support to land, buildings or any other property.

This exclusion will not apply:

- a) where Property Damage does not exceed an amount of \$50,000 any one occurrence;
- b) in respect of any surrounding structures that could be affected by such work, and prior to the commencement of such work, You have obtained a 'Conditions Report' or a 'Dilapidation Report' on the existing condition of any such surrounding structures; or
- c) if a design engineer was engaged for such work then that work is undertaken in strict accordance with the plans, specifications and directions of the design engineer.

Conditions applicable to this Section

1. Cross liability

Each of the parties comprising You is considered a separate legal entity and the word You applies to each party as if a separate policy had been issued to each of the said parties, provided always that

- a) each of such parties shall be separately subject to the terms, conditions, exclusions and definitions of Section 2 of this Policy; and
- b) nothing contained in this clause will operate to increase Our liability under Section 2 of this Policy.

2. Reasonable care and precautions

You must take all reasonable care, action and precautions at Your own expense to:

- a) prevent the manufacture, sale or supply of defective Completed Works or Products;
- b) take reasonable action to trace, recall or modify any Completed Works or Products containing any defect or deficiency which defect or deficiency You have knowledge of or have reason to suspect.

If You do not meet the above condition, We may cancel the Policy or reduce or refuse to pay a claim.

General exclusions applicable to all Sections of this Policy

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

1. War

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

2. Nuclear

ionising radiation or contamination by radioactivity from:

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

3. Lawful seizure

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

4. Wilful acts

actual or alleged:

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

carried out by You or any person acting with Your knowledge, consent or connivance;

5. Territorial limits

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

6. Abandonment of site

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

7. Welding and allied processes

You or other persons working on Your behalf not having strictly complied with the Australian Standard 1674. 1-1997 "Safety in welding and allied processes" or any subsequent amendments;

8. Electronic data

- (i) the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
 - (ii) any error in creating, amending, entering, deleting or using Electronic Data;
 - (iii) a total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
 - (iv) any business interruption losses resulting therefrom,
- regardless of any other contributing cause or event whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured physical damage and provided that reinstatement of data media and/or business interruption is insured by this policy.

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

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

9. Consequential loss

consequential or economic loss including without limitation loss of use, losses due to delay (including liquidated damages), or lack of performance, loss of contract, penalties, fines, or aggravated, punitive or exemplary damages;

10. Known defects

damage caused by faults or defects known to You or any employee or representative whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this Policy was entered into;

11. Computer technology

loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic);

12. Computer virus

loss or distortion caused by computer virus being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other code or data causing undesirable program or computer system operation;

13. Terrorism

acts of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

- (i) involves violence against one or more persons; or
- (ii) involves damage to property; or
- (iii) endangers life other than that of the person committing the action; or
- (iv) creates a risk to health or safety of the public or a section of the public; or
- (v) is designed to interfere with or to disrupt an electronic system.

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

Claims procedures

What You must do

1. Do not admit liability

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

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

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

2. Contact Us as soon as possible

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

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

Any correspondence You receive regarding the loss, damage or alleged liability must be sent to Us immediately.

You must advise Us immediately of:

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

3. Contact the police

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

4. Other insurance

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

5. Prevent further damage and emergency repairs

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

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

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

What happens after You make a claim

1. Authorising repairs and settlement

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

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

- c) If We elect or become bound to reinstate or replace any insured property, You must at Your own expense produce and give Us all such plans, documents, books and information as We may reasonably require.
- d) We will not be bound to reinstate exactly or completely, but only in a reasonable manner given the circumstances. In no case will We be bound to pay, in respect of any of the insured property, more than the Sum Insured or Limit of Liability specified in the Schedule.
- e) We may pay the Named Insured or any other party the Sum Insured or Limit of Liability under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After We have paid the Named Insured under Section 1 or any other party under Section 2 of the Policy, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time We agreed to pay.

2. Recovery of lost or damaged insured property

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

3. Assist Us with the claim

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

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

4. Our rights of recovery

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

In the event of Us making any payment to You, We shall not exercise any rights of subrogation against You other than those noted under paragraph 7. and 8. of the Definition of "You", "Your" or "Yours".

General conditions applicable to all Sections of this Policy

1. Our right of inspection

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

2. Cancellation

The Policy may be cancelled:

- a) at any time at the Named Insured's written request to Us and the premium shall be adjusted on the basis of Us receiving or returning the adjusted premium on Turnover of Insured Contracts prior to cancellation, in accordance with provisional premium and premium adjustment clauses noted below, calculated at the date of cancellation;
- b) by Us in the event of You:
 - (i) failing to comply with the duty of utmost good faith; or
 - (ii) failing to comply with the duty of disclosure at the time the contract of insurance was entered into; or
 - (iii) failing to comply with a provision of the Policy including one in respect of payment of the premium; or
 - (iv) making a misrepresentation to Us during negotiations for the contract of insurance but before it was entered into; or
 - (iv) making a fraudulent claim under this Policy or any other contract of insurance (whether with Us or some other insurer) that provides insurance cover on contracts indemnifiable under this Policy during any part of the period during which this Policy provides insurance cover; or
 - (vi) failure to notify Us of any specific act or omission where such notification is required under the Policy; or
 - (vii) acting in contravention of or omitting to act in compliance with any condition of the Policy which empowers Us to refuse to pay, or reduce liability in respect of a claim in the event of such contravention or omission.

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

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

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

3. Governing law and jurisdiction

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

4. Interests of other parties

- a) Under Section 1, the insurable interest of only those lessors, financiers, trustees, mortgagees and owners having a legal interest or charge over the insured property and who are specifically noted in the Named Insured's records, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of damage. Any other parties not in this category or not named in the Policy or Schedule are not covered and cannot make a claim under any Section of the Policy. All third party beneficiaries must comply with the terms and conditions of the Policy.
- b) Where the protection provided by this Policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties:
 - (i) subject to General exclusion 1.d) Wilful acts;
 - (ii) provided the remaining parties must, immediately on becoming aware of any act or omission that increases the risk of loss, damage or liability, give notice in writing to Us and on demand pay any reasonable additional premium We may require; and
 - (iii) other than in relation to any Policy Sum(s) Insured and limits, unless specified otherwise.

5. The Named Insured's representative – authorisation

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

6. Provisional premium

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

7. Premium adjustment

Within thirty days of expiry of the Period of Insurance or the date of cancellation, the Named Insured shall declare the actual Turnover of all Insured Contracts covered under this Policy since the commencement of the Period of Insurance.

The premium shall be determined by applying the agreed rate to the actual Turnover. The premium shall be compared with the provisional premium and the Named Insured shall pay or We shall refund the difference as the case may be, subject to any Policy terms to the contrary.

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

8. Alteration to risk

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

9. Reasonable care and maintenance

You must take all reasonable care to:

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

10. Storage of hazardous goods

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

11. Waiver of subrogation rights

In the event of any payment under this Policy, We will be subrogated to all Your rights of recovery against any person or organisation and You shall execute and deliver any appropriate instruments and papers and do whatever else is necessary to secure such rights. Any amount so recovered shall be applied in accordance with the provisions of s.67 of the Insurance Contracts Act 1984.

We agree to waive all rights of subrogation under this Policy against each of the parties defined as You. However, where a party included in the definition of 'You' is protected from liability insured under this Policy by any other policy of insurance or indemnity, Our subrogation right is not waived to the extent and up to the amount of cover provided by such other policy of insurance or indemnity.

12. Loss accumulation

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

For all enquiries please call your insurance intermediary

allianz.com.au

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