

**ANNUAL CONTRACT WORKS AND  
PUBLIC LIABILITY INSURANCE POLICY**

In consideration of the Insured named in the Schedule having paid or agreed to pay to the Insurer (which term shall collectively include reference to all Insurers) named hereon the Premium shown in the Schedule.

The Insurer agrees, subject to the terms, Conditions, Exclusions, Memoranda, Definitions, limitations and other provisions contained herein or endorsed hereon, to indemnify the Insured against physical loss, destruction of or damage to the extent and in the manner hereinafter provided.


Provided that:

(1) the Insurer shall not be liable under this Policy in any circumstances described herein for more than the Sums Insured/Limit of Liability stated in the Schedule or such other amount(s) as may appear in the Policy or be substituted thereafter by memorandum or attached hereon signed on behalf of the Insurer;

and

(2) the liability of the Insurer shall be limited to that proportion as is hereunder specified against its name.

Signed on behalf of the Insurer at

<b>Insurer</b>	<b>Proportion %</b>	<b>Policy No.</b>	<b>Signature</b>	<b>Date</b>
SRS Underwriting Agency on behalf of certain Underwriters at Lloyds	100%	CON 17 11 0000 844 CON 6 11 0000 612.		11/2/81.



## THE SCHEDULE

**NAMED INSURED:** The Crown in the Right of the State of Tasmania as Owner/Principal

**ADDITIONAL INSUREDS** All contractors and sub-contractors for their respective rights and interests

and others as defined herein, all for their respective rights and interests.

**INTEREST INSURED:** All work commenced during the Policy Period for The State Capital Works Budget Programme (Civil and Civic) on behalf of The Crown in the Right of The State of Tasmania which do not exceed \$25,000,000(Civic) and \$19,000,000 (Civil) and providing that the maximum period any one contract does not exceed 24 months plus 24 months maintenance thereafter, furthermore the following contracts are excluded:

- (i) Flood Mitigation Works, Weirs, Tunnels (as defined) Shafts (as defined), Jetties, Wharves and Works under, over or in water where the Contract exceeds \$2,000,000 any one contract
- (ii) Dam Construction and Maintenance Contracts (total exclusion)
- (iii) Demolition only Contracts exceeding \$200,000 any one contract

**CONSTRUCTION PERIOD:** Twenty Four (24) months any one contract

**MAINTENANCE/DEFECTS LIABILITY PERIOD:** Twenty Four (24) months any one contract

**TESTING & COMMISSIONING PERIOD** Four (4) weeks maximum any one contract

**POLICY PERIOD:** From: 30 June 2011 at 4.00 p.m. Australian Eastern Standard Time  
To: 30 June 2012 at 4.00 p.m. Australian Eastern Standard Time

Plus any subsequent period thereafter for which the Insurer agrees to offer renewal, and the Insured agrees to pay the renewal premium.

**TERRITORIAL LIMITS:**

Any contract site in Tasmania, including inland transit



**SUMS INSURED/  
LIMIT OF LIABILITY:**

**Section 1 - Contract Works**

Property Insured (a), (b), (c) and (d) (as defined herein)	\$25,000,000(Civic) any one Loss \$19,000,000 (Civil) Any one Loss
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**PAYABLE IN ADDITION TO ABOVE**

Pre-existing Property (arising out of construction operations)	\$1,000,000 Any one Loss (including contents Sub-limited to \$250,000)
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Professional Fees (as defined herein)	\$1,250,000 any one Loss
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Removal of Debris (as defined herein)	\$2,500,000 any one Loss
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Expediting Expenses (as defined herein)	\$1,250,000 any one Loss
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Transit (as defined herein)	\$100,000 any one Loss
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Materials in Storage- Away from the Contract site (as defined herein)	\$250,000 any one Loss
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Temporary Protection and/or Government Expenses	\$100,000 any one Loss
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Claims Preparation Costs (as defined herein)	\$20,000 any one Loss
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Escalation Clause	15% of Contract Value
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**Section 2 - Public Liability**

\$20,000,000 any one Occurrence or all Occurrences in any one series consequent on or attributable to one source or original cause; and unlimited in the aggregate during the Period of Insurance.



**EXCESS:**

**Section 1 - Contract Works**

**Civic Works**

Contracts and/or Works for value:

(i) Not exceeding \$5,000,000 \$1,000 each and every Loss

(ii) Exceeding \$5,000,000 \$2,500 each and every Loss

**Civil Works**

Contracts and/or Works for value:

(i) Not exceeding \$5,000,000 \$10,000 each and every Loss

(ii) Exceeding \$5,000,000 \$20,000 each and every Loss

**Section 2 - Public Liability**

**Civic Works**

Property Damage \$2,500 each and every Loss

Personal Injury \$2,500 each and every Loss

\$10,000 each and every Loss for injury to workers on site

**Civil Works**

Property Damage \$2,500 each and every Loss

Personal Injury \$2,500 each and every Loss

\$10,000 each and every Loss for injury to workers on site.

**THE PREMIUM:**

\$As agreed

which amount is provisional and shall be adjusted in accordance with the terms of General Conditions of this Policy.



## SECTION 1 - CONTRACT WORKS

### INSURING CLAUSE

1. The insurance by this Policy indemnifies the Insured against physical loss, destruction of or damage to the Property Insured occurring during the Construction Period (hereinafter referred to as the Period of Insurance) arising from any cause not hereinafter excluded, wherever the property may be located within the Territorial Limits detailed in the Schedule.
  
2. The insurance by this Policy also indemnifies the Insured against physical loss, destruction of or damage to the Property Insured arising from any cause not hereinafter excluded:
  - (a) which occurs during the Maintenance/Defects Liability Period (hereinafter referred to as the Period of Insurance) and is caused by the Insured in the course of complying with the obligations of the Maintenance/Defects Liability Clauses of the contract or agreement;
  
  - (b) which occurs during the Maintenance/Defects Liability Period and is due to a cause arising during the Construction Period;

wherever the Property Insured may be located within the Territorial Limits detailed in the Schedule.



## BASIS OF SETTLEMENT

The amount payable in respect of physical loss, destruction of or damage to the Property Insured (excluding Plant and/or Equipment) shall be the cost of reinstatement of the property at the time of reinstatement.

For the purpose of this Policy "reinstatement" shall mean:

- (a) where property is lost or destroyed: in the case of a building, the rebuilding thereof or in the case of property other than a building, the replacement thereof by similar property; in either case in a condition equal to, but not better or more extensive than, its condition when new.
- (b) where property is damaged: the repair of the damage and the restoration of the damaged portion of the property to a condition the same as, but not better or more extensive than, its condition when new.
- (c) notwithstanding the provisions of clauses (a) and (b) above, the cost of reinstatement shall also extend to include the extra cost of reinstatement (including demolition or dismantling) of damaged property 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;

provided always that the amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the physical loss, destruction or damage.

In all cases the cost of reinstatement, as described above, shall mean the final cost to the Insured after completion of the work of reinstatement, replacement or repair of the Property Insured. Where such work is carried out wholly or in part by the Insured, such final costs shall include a reasonable margin for overheads and profit however, these costs shall not exceed the original cost plus an allowance for inflation.



## EXCLUSIONS APPLICABLE TO SECTION 1

The Insurer shall not be liable for:

1. the amount(s) of the Deductibles shown in the Schedule for any one Loss
2. consequential loss, penalties incurred by the Insured under contract for delay, non completion or non-compliance with contract conditions; or aggravated, punitive or exemplary damages;
3. loss or damage to and the cost necessary to replace, repair or rectify:-
  - (a) Property Insured which is in a defective condition due to a defect in design, plan, specification, materials or workmanship of such Property Insured or any part thereof;
  - (b) Property Insured lost or damaged to enable the replacement repair or rectification of Property Insured excluded by (a) above.

Exclusion 3 (a) above shall not apply to other Property Insured which is free of the defective condition but is damaged in consequence thereof.

For the purpose of this Policy and not merely this Exclusion the Property Insured shall not be regarded as lost or damaged solely by the virtue of the existence of any defect in design plan specification materials of workmanship in the Property Insured or any part thereof.

4. loss, destruction of or damage to:
  - (a) any aircraft, or waterborne craft
  - (b) employees personal effects, hand tools, construction plant and equipment, other than that detailed in (b) under Property Insured;
5. loss, destruction of or damage to any mechanically propelled vehicle other than machinery, plant, equipment and/or vehicles which form, or will form, a permanent part of the Interest Insured;
6. loss revealed solely by routine inventory shortage unless such loss can be reasonably attributed to burglary or theft or any attempt thereat;
7. loss, destruction of or damage to materials or equipment whilst such property is in the course of ocean marine shipment;



8. loss, destruction of or damage to cash, bank notes, cheques, postal orders, money orders or stamps;
9. loss, destruction of or damage directly or indirectly caused by or arising out of:
  - (a) war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power;
  - (b) confiscation, nationalisation, requisition or destruction by or under the order of any government, public or local authority.
10. loss, destruction of or damage to any property whatsoever, directly or indirectly caused by or contributed to by or arising from:
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

but this Exclusion 10 shall not apply to loss, destruction or damage resulting from any operation or activity which includes the use of radioactive materials in weld radiography, nucleonic density meters and all other similar applications.

11. loss of use, loss of earnings and/or loss of value consequent upon loss, destruction of or damage to the Property Insured.
12. the costs of repairing, replacing or rectifying loss or damage consisting of electrical breakdown, mechanical breakdown, explosion, failure or derangement of any machine, boiler or pressure vessel.
13. the costs of rectifying corrosion, erosion, wasting wearing away, abrasion or other gradual deterioration including that caused by atmospheric conditions.
14. the costs of normal upkeep, maintenance or routine making good.
15. 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 act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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



- (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 insurance 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

- 16 (1) (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data,
- (ii) error in creating, amending, entering, deleting or using Electronic Data or;
- (iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all.

From any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

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

- (2) However, in the event that a peril listed below (being a peril Insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (1) above, this Policy, subject to all its provisions, will Insure:

- (i) physical loss of or damage or destruction to Insured Property directly caused by such listed peril, and/or;
- (ii) consequential loss insured by this Policy.

Further, this Exclusion does not apply in the event that a peril listed below (being a peril Insured by this policy but for this exclusion) causes any of the matters described in paragraph (1) above.

Fire, lightning, thunderbolt, explosion, implosion, earthquake subterranean fire, volcanic eruption, impact by aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such electronic data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the premises.



- (3) For the purpose of the Basis of Settlement provision in this Policy, computer systems records includes Electronic Data as defined in paragraph (1) above.

Any Terrorism exclusion in this Policy or any endorsement thereto prevails over this exclusion



## MEMORANDA APPLICABLE TO SECTION 1

### 1. AUTOMATIC REINSTATEMENT

In consideration of the Sum Insured not being reduced by the amount of the Loss arising out of any one source or original cause, the Insured shall pay a pro rata premium on the amount of such damage from the date thereof to the date of the expiry of the Period of Insurance. Such additional premium shall be disregarded for the purpose of any adjustment of premium under General Condition 2 of this Policy.

### 2. PROFESSIONAL FEES

This insurance automatically extends to cover architects', surveyors', consulting engineers', project and construction managers' fees, , costs and expenses, and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision all necessarily and reasonably incurred for the purpose of repairing, reinstating or replacing the Property Insured consequent upon physical loss, destruction of or damage insured against hereunder.

Limited to the applicable Sum Insured shown in the Schedule.

### 3. REMOVAL OF DEBRIS AND OTHER COSTS

This insurance automatically extends to cover costs and expenses necessarily and reasonably incurred by or on behalf of the Insured:

- (a) in dismantling and/or demolishing and/or removing any of the Property Insured no longer useful for the purpose for which it was intended;
- (b) in cleaning up, removing, storing and/or disposing of debris, detritus, and all substances from and around the site of the works;

consequent upon physical loss, destruction of or damage insured against hereunder.

Limited to the applicable Sum Insured shown in the Schedule.



#### 4. TEMPORARY PROTECTION AND/OR GOVERNMENT EXPENSES

This insurance automatically extends to cover costs and expenses necessarily and reasonably incurred by or on behalf of the Insured for:

- (a) shoring up, propping, underpinning or other temporary protection of the Property Insured, deemed necessary by the Insured, or by a professionally qualified person or entity representing the Insured, to avoid further loss, destruction or damage occurring;
- (b) any fee, contribution or other impost (excluding fines and/or penalties) payable to any Government, Local Government or Statutory Authority for services rendered or equipment supplied for the purpose of helping to prevent further, mitigate or confine loss, destruction or damage at the situation where the Property Insured is located;

consequent upon any physical loss, destruction of or damage insured against hereunder;

Limited to the applicable Sum Insured shown in the Schedule.

#### 5. EXPEDITING EXPENSES

This insurance automatically extends to cover additional expenses necessarily and reasonably incurred by or on behalf of the Insured following a Loss to expediting the commencement, carrying out or completion of the repair, reinstatement or replacement of the Property Insured consequent upon physical loss, destruction of or damage insured against hereunder.

Such additional expenses shall include, but not be limited to:

- (a) express delivery by sea, road, rail or air;
- (b) travel of the Insured's directors, partners, officers, employees, agents, sub-contractors, consultants and representatives by schedule airline services;
- (c) overtime or penalty rates of labour and other related allowances or payments;
- (d) hire of additional labour, plant, machinery, equipment, materials, expertise and/or services;
- (e) accommodation and boarding costs, including meals and other costs associated therewith;
- (f) cost necessarily incurred in obtaining preferential treatment from the manufacturers and/or suppliers.

Limited to the applicable Sum Insured shown in the Schedule.



## 6 ESCALATION IN PRICE OF THE INTEREST INSURED

If the Interest Insured by this Policy should, during construction, escalate in value above the price agreed at the date of award of the contract, then the Sum Insured specified in the Schedule for Property Insured (a), (b), (c) and (d) shall be increased by a corresponding amount, subject however to the increase not exceeding 15% of the Sum Insured presently stated in the Schedule without the Insurer's further agreement endorsed herein.

## 7. 72 HOUR CLAUSE

All loss, damage or destruction which occurs during any period of seventy-two (72) consecutive hours and which is caused by flood, storm, tempest, water damage, subsidence, collapse or earthquake shall be considered for the purpose of the application of any excess as resulting from the one original source or cause. Each period shall be deemed to have commenced on the first happening of any such damage which does not occur within any prior period of seventy-two (72) consecutive hours. This Clause shall apply to any of these causes whether continuous or sporadic in their sweep or scope and whether the loss, damage or destruction was due to the same seismological condition. The Insured shall select the time from which any such period shall commence but no two such selected periods shall overlap.

## 8. TRANSIT

This insurance automatically extends to cover the Insured against physical loss of or damage to materials and/or components intended for incorporation in the Interests Insured during the Construction Period stated in the schedule

- (a) and beginning with the commencement of loading in an undamaged condition
- (b) continuing thence during transit:
  - i. by road;
  - ii. by rail
  - iii. or by licensed airline operating a regular schedule service including transshipment incidental thereto, and
- (c) ending with the completion of unloading at the contract site



Provided always that such indemnity shall be payable in respect to materials and components belonging to or under the care, custody and control of the Insured.

Provided always that the liability of the Insurer shall not exceed the Sum Insured for any one Loss as stated in the schedule for Transit

#### Supplementary Exclusions

The Insurer shall not indemnify the Insured against loss or damage:

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

### 9. CLAIMS PREPARATION COSTS

This Insurance automatically extends to cover costs and expenses necessarily incurred by the Insured in the preparation of claims for submission to the Insurer including (but not limited to) clerical labour costs and consultant fees.

Subject to limitation only if shown in the Schedule.

### 10. MATERIALS IN STORAGE – AWAY FROM THE CONTRACT SITE

It is hereby agreed and declared, the Insurer will cover the Insured against physical loss of or damage to materials and/or components intended for incorporation in the Interests Insured during the Construction Period stated in the schedule whilst they are in storage and/or during fabrication off-site but within Australia.

Limited to the applicable Sum Insured shown in the Schedule.



## SECTION 2 - PUBLIC LIABILITY

### INSURING CLAUSE

1. The Insurer agrees to indemnify the Insured in respect of all amounts which the Insured shall become legally liable to pay for:

- (a) Personal Injury (as defined herein);
- (b) Property Damage (as defined herein);

happening during the Construction Period or Maintenance/Defects Liability Period (hereinafter referred to as the Period of Insurance) caused by or contributed to by and/or arising out of an Occurrence anywhere within the Territorial Limits specified in the Schedule.

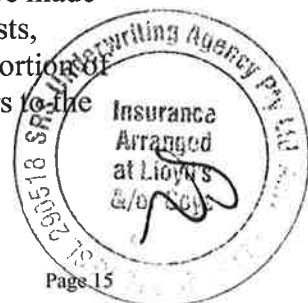
2. The Insurer will pay with respect to indemnity afforded under this Policy:

- (a) All charges, expenses and legal costs incurred or obliged to be paid by the Insurer or by the Insured with the consent of the Insurer. The Insurer's costs shall include all amounts expended in the investigation, settlement or defence of any claims for compensation (even if such claim is groundless, false or fraudulent) including actual loss of earnings and in relation to any appeal, coroner's inquest, royal commission or other enquiry in respect of which the Insured is entitled to indemnity under this Policy or if sustained would be so entitled.
- (b) all interest accruing after entry of judgement until the Insurer has paid, tendered or deposited in court such part of such judgement as does not exceed the Limit of Liability.
- (c) all expenses incurred by the Insured for medical and surgical relief and occupational health and other medical or therapeutic services (unless prohibited by law) to others in respect of any Personal Injury to which this Policy applies.

The amounts so incurred are payable in addition to the Limit of Liability stated in the Schedule.

Provided that :

- (i) The Insurer will not be obligated to pay any claim, judgement, costs, expenses or interest after the Insurer's Limit of Liability has been exhausted by payment of judgements or settlements;
- (ii) If a payment exceeding the Insurer's Limit of Liability has to be made to dispose of a claim, the liability of the Insurer to pay any costs, expenses or interest under Clause 2 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.



## EXCLUSIONS APPLICABLE TO SECTION 2

This Policy shall not apply to liability:

1. for Personal Injury sustained by any person arising out of and in the course of their employment by the Insured, under a contract of service or apprenticeship with the Insured, where payment for such is required to be insured under a policy pursuant to any Workers', Workmen's or Accident Compensation legislation;
2. for fines and penalties aggravated, punitive, exemplary, liquidated and multiple damages.
3. for loss, destruction of or damage to property owned, leased, occupied or used by, or in the care, custody or control of, the Insured;

Provided that Exclusion 3 shall not apply with respect to:

- (a) existing premises, structures, machinery, plant and equipment or any part(s) of such premises and structures (including contents thereof) being worked upon by the Insured for the purpose of alteration, addition, extension, renovation, refurbishment, decoration, maintenance or repair;
  - (b) existing premises or any part(s) of such premises at or adjacent to the contract site (including contents thereof) leased or tenanted by the Owner in direct connection with the Interest Insured;
  - (c) construction plant, machinery or equipment hired, leased, loaned or borrowed by the Insured;
4. (a) for Personal Injury insurable under any compulsory legislation governing the use of any vehicle or trailer attached to such vehicle;
  - (b) for Property Damage caused by or arising out of the use of any mechanically propelled vehicle including any trailer attached to such vehicle;

Provided that Exclusion 4(b) shall not apply:

- (i) whilst such vehicle or trailer is in use as a tool of trade in connection with the Interest Insured;
- (ii) whilst such vehicle or trailer, in connection with the Interest Insured, is in transit other than under the power of such vehicle;
- (iii) where caused by or arising out of the delivery or collection of goods to or from any vehicle or trailer where such is located on any carriageway or thoroughfare which forms part of the site of the Interest Insured;



- (iv) where caused by or arising out of the loading or unloading of, or the delivery or collection of, any goods to or from any vehicle or trailer used in work undertaken by or on behalf of the Insured in connection with the Interest Insured;
  - (iv) where the carriageway or thoroughfare forms part of the site of the Interest Insured or is used as an access route from one part to another part of the site of the Interest Insured;
  - (v) liability of the Insured arising out of injury resulting from the ownership, possession or use by the Insured of any vehicle or trailer where that liability did not arise in circumstances for which indemnity was or ought to have been provided under any form of insurance required to be affected by law.
5. caused by or arising out of the ownership, possession or use by or on behalf of the Insured, of any waterborne craft exceeding 8 metres in length, or any aircraft;
6. of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

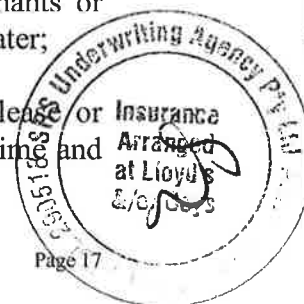
but this Exclusion 6 shall not apply to liability arising from any operation or activity which includes the use of radioactive materials in weld radiography, nucleonic density meters and all other similar applications.

7. directly or indirectly caused by or arising out of:
- (a) war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power;
  - (b) confiscation, nationalisation, requisition or destruction by or under the order of any government, public or local authority.

provided that Exclusion 7(a) shall not apply with respect to liability for Personal Injury and/or Property Damage caused by or arising out of missiles and/or bombs and/or other explosives not discovered at the time of commencement of Policy cover so long as no state of war exists in the Territorial Limits specified in the Schedule;

8. for Personal Injury and/or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water;

Provided that Exclusion 8 shall not apply if such discharge, dispersal, release or escape is sudden and accidental and takes place in its entirety at a specific time and place;



9. for Personal Injury or Property Damage caused by or arising from any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity;
10. for the loss of use of or for the costs of repairing or replacing any defective product(s) or any part(s) thereof used or supplied by the Insured for the Interest Insured;
11. (a) arising out of the rendering of or failure to render professional advice or service given for a fee or on behalf of the Insured or any error or omission connected therewith;

provided that this Exclusion 11 does not apply to the rendering of or failure to render professional medical advice by medical persons employed by the Insured in connection with the Interest Insured;

12. arising out of liability which has been assumed by agreement (not being the contract pursuant to which the Contract Works are being carried out or any contract of hire of construction plant, machinery or equipment) other than liability which would have attached had such agreement not existed;
13. directly or indirectly out of or in any way connected with Internet Operations of the Insured.

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

- (a) Use of electronic mail systems by the Insured or the Insured's employees, including part-time and temporary staff, and others acting on behalf of the Insured;
- (b) Access through the Insured's network to the world wide web or a public internet site by the Insured or the Insured's employees, including part-time and temporary staff, and others acting on behalf of the Insured;
- (c) Access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for the Insured's customers or others outside the Insured's organization; and
- (d) The operation and maintenance of the Insured's web site.

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



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

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

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

This insurance 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.

- 15.
- (a) for total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA,
  - (b) for any error in creating, amending, entering, deleting or using ELECTRONIC DATA, or
  - (c) for total or partial inability or failure to receive, send, access or use ELECTRONIC DATA for any time or at all.

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in (a), (b) and (c) above, this Policy, subject to all its provisions, will insure:

- (i) physical loss of or damage or destruction to Property Insured directly caused by such listed peril, and/or
- (ii) consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this policy but for this exclusion) causes any of the matters described in (a), (b) and (c) above



Fire, Explosion, Lightning, Windstorm, Hail, Tornado, Cyclone, Hurricane, Earthquake, Volcano, Tsunami, Flood, Freezing, Weight of Snow, Impact by Aircraft or other aerial objects dropped therefrom, Impact by any Road Vehicle or animal, Bursting, Overflowing Discharging or Leaking of Water Tanks Apparatus or Pipes, or Theft of the computer hardware, firmware, medium, microchip. integrated circuit or similar device containing such Electronic Data

For the purposes of the Basis of Settlement provision in this Policy, computer systems records includes Electronic Data as defined in (a), (b) and (c) above



## MEMORANDA APPLICABLE TO SECTION 2

### 1. CROSS LIABILITY

For the purpose of this Policy the word Insured shall be considered as applying to each party comprising the Insured in the same manner as if a separate Policy had been issued to each of them.

Notwithstanding the above, nothing contained herein shall operate to increase the Limit of Liability for any one Occurrence as stated in the Schedule.

### 2. LIMIT OF LIABILITY

The Insurer's Liability under Insuring Clause 1 shall not exceed the amount stated as "Limit of Liability" in the Schedule for any one Occurrence.

In respect of payments made under Insuring Clause 1, the Insurer shall not be liable for the amount of the Excess shown in the Schedule in respect of each and every Occurrence.



## DEFINITIONS ALL SECTIONS

### 1. INSURED

The "Insured" shall include:

- 1.A Named Insured stated in the Schedule
- 1.B Additional Insureds
  - (a) all Contractors and Sub-Contractors to the extent of their activities involving the Interest Insured and their interest therein;
  - (b) suppliers whilst on site, but only whilst acting within the scope of their duties in connection with the Interest Insured;
  - (c) bankers, financiers, mortgagors and other similar lending and/or credit institutions, where an obligation exists under contract or agreement to include their name as an Insured party in relation to the Interest Insured;
  - (d) with the consent of the Insurer, any other party or person where the Insured nominated in the Schedule assumes an obligation under contract or agreement to include their name as an Insured in relation to the Interest Insured.

### 2. PERIOD OF INSURANCE

"Period of Insurance" shall mean:

- (a) the period commencing with the entering into of the contract or work for the Interest Insured and at all times during the Construction Period and until the said contract or work has been formally accepted by the Owner as having achieved practical completion or taken into use which ever occurs first subject to this not exceeding the Construction Period ;
- (b) during any subsequent Maintenance /Defects Liability Period as specified in the contract or agreement between the Insured parties, and until expiration of such when the certificate of final completion is formally issued by or on behalf of the Owner or the expiry date of this Policy which ever occurs first.



## DEFINITIONS - SECTION 1

### 1. LOSS, DESTRUCTION OF OR DAMAGE TO THE PROPERTY INSURED

"loss, destruction of or damage to the Property Insured" shall mean:

physical loss of, physical destruction of, or damage to the Property Insured, from a cause not otherwise excluded by the Policy.

### 2. PROPERTY INSURED

"Property Insured" shall mean all real and personal property of every kind and description, (not hereinafter excluded), having any connection whatsoever with the Interests Insured detailed in the Schedule including:

- (a) all materials, goods, equipment and supplies (including Owner supplied materials) forming a permanent part of, or which will form a permanent part of, the Interest Insured;
- (b) all temporary works and/or structures erected, installed and/or constructed by the Insured for the purpose of completing the Interest Insured, including but not limited to, props, slipform, shuttering, formwork, falsework, hoardings, bunding, bridging and the like;
- (c) contract consumables, including, but not limited to, oil, petrol, first aid equipment, safety boots and the like;
- (d) all plans, files, records, specifications and the like pertaining to the Interest Insured, be they in book or similar document form, or held on computer software;
- (e) supplied temporary buildings (including site offices, portable houses, caravans, mess accommodation, workers' camp, stores and workshops) together with their contents of all such temporary buildings;

owned by the Named Insured, or in the Named Insured's care, custody or control, or for which the Insured is legally liable or has assumed the responsibility to insure, and which is to be used in the course of construction of, or in connection with, or for the purpose of, the Interest Insured detailed in the Schedule.

### 3. LOSS

An event, including continuous or repeated exposure to substantially the same general conditions, which first occurs during the Period of Insurance and results in subsequent physical loss, physical destruction of or physical damage to the Property Insured :

All Losses of a series consequent upon or attributed to one source or original cause shall be deemed to be one Loss.



## DEFINITIONS - SECTION 2

### 1. PROPERTY DAMAGE

"Property Damage" shall mean:

- (a) physical loss of, damage to or the destruction of tangible property, including the loss of use thereof at any time resulting therefrom;
- (b) loss of use of tangible property which has not been physically lost, destroyed or damaged provided such loss of use is caused by physical loss of, damage to or destruction of some other tangible property.

### 2. PERSONAL INJURY

"Personal Injury" shall mean:

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish or mental injury;
- (b) false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution or humiliation;
- (c) assault and battery not committed by or at the direction of the Insured unless committed for the purpose of preventing Personal Injury or Property Damage or eliminating danger;
- (d) libel, slander or defamation of character;
- (e) wrongful entry or invasion of the right of privacy.

In the event of Personal Injury claims arising from latent injury, latent disease, latent sickness or latent disability, such injury, disease, sickness or disability will be deemed to have occurred during the Period of Insurance provided that the identifiable event (including continuous or repeated exposure to substantially the same general conditions arising therefrom) resulting in such injury, disease, sickness or disability, occurred during the Period of Insurance.

### 3. VEHICLE

Any machine including any attachments thereto designed to travel on wheels or on self-laid tracks or on railway tracks and to be propelled by other than manual or animal power.

### 4. WATERBORNE CRAFT

Any vessel, craft or thing made or intended to float on or in or travel on, through or under water.



**5. AIRCRAFT**

Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

**6. OCCURRENCE**

"Occurrence" shall mean:

An event, including continuous or repeated exposure to substantially the same general conditions, which first occurs during the Period of Insurance and results in subsequent: Personal Injury and/or Property Damage as defined under Section 2 neither expected nor intended from the standpoint of the Insured.

All Occurrences of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.



## CONDITIONS - APPLICABLE TO SECTION 1

### 1. CLAIMS PROCEDURE

Upon the happening of any Loss likely to give rise to a claim hereunder the Insured shall give notice thereof to the Insurer as soon as practicable after such information shall come to the knowledge of the Insured.

As soon as possible thereafter the Insured shall render a statement to the Insurer, stating the knowledge and belief of the Insured as to the time and cause of the loss, destruction of or damage, and the interest of the Insured and all others in the Property Insured.

Notwithstanding the foregoing, the Insured is permitted to take immediate action to avoid further loss or damage occurring to the Property Insured, and such action shall in no way prejudice the Insured's position with respect to any loss covered hereunder.

### 2. INSURED'S ACTION IN THE EVENT OF THEFT OR WILFUL DAMAGE

In the event of theft, loss or wilful damage to the Property Insured, the Insured shall give notice to the police and render all reasonable assistance in causing the discovery and punishment of any guilty person(s) and in tracing and recovering such Property Insured.

### 3. PAYMENTS ON ACCOUNT

Provided that liability has been admitted, progress payments on account of any claim may be made to the Insured at such intervals and for such amounts as may be agreed upon production of a report by the Loss Adjuster (if appointed); provided such payment(s) shall be deducted from the amount finally determined upon adjustment of the claim.

### 4. PAYMENT OF LOSSES

Losses under this Policy shall be paid to such one or more of the Insured as shall have suffered such losses, providing that the Named Insured may, by notice in writing given to the Insurer, require any loss or losses payable to any other of the Insured to be paid to themselves, and payment by the Insurer pursuant to such notice shall, to the extent of such payment, constitute a discharge.



## CONDITIONS - APPLICABLE TO SECTION 2

### 1. REASONABLE PRECAUTIONS

The Insured shall take all reasonable precautions to prevent Personal Injury and/or Property Damage insured against hereunder.

### 2. INSURED'S DUTIES IN THE EVENT OF ANY OCCURRENCE

In the event of any Occurrence likely to result in a claim under this Policy the Insured shall:

- (a) at the Insured's expense, take such immediate action as may be necessary to minimise the extent of Personal Injury and/or Property Damage;
- (b) as soon as possible, give notice in writing of such Occurrence to the Insurer;
- (c) send to the Insurer immediately on receipt any letter, claim, writ, summons or proceedings which may be commenced against the Insured.

### 3. CO-OPERATION BY THE INSURED

The Insured shall co-operate with the Insurer in the defence of claims and suits and in prosecuting appeals, and upon the Insurer's request shall attend hearings and trials, and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits.

### 4. INSOLVENCY

The insolvency or bankruptcy of the Insured shall not release the Insurer from any of the Insurer's obligations assumed hereunder.



## GENERAL CONDITIONS APPLICABLE TO ALL POLICY SECTIONS

### 1. SUBROGATION

Other than as provided by General Conditions 7 & 8, the Insured shall, at the request and at the expense of the Insurer, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies against, or of obtaining relief or indemnity from, other parties to which the Insurer shall be or would become subrogated upon the Insurer paying for or making good any loss, destruction, damage or liability under this Policy.

### 2. NOTICES

- (a) It is agreed and declared that any notice(s) required by the Conditions of this Policy, and given by any individual Insured to the Insurer, shall be accepted as a notice given on behalf of all Insured persons or entities.
- (b) The Insurer agrees to be bound by the terms and conditions of any contract or agreement that exists between the Insured nominated in the Schedule and any other insured party, which stipulates that any policy notice(s) served upon the Named Insured will also be served upon another insured party.

### 3. UNIFORM MEANING

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been given in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear unless such meaning is clearly inapplicable in the context that the word or expression appears.

### 4. APPLICABLE LAW

Should any dispute arise between the Insured and Insurer over the application of this Policy, such dispute shall be determined in accordance with the law of Australia and its Mandated Territories and Protectorates.



**5. ASSIGNMENT**

No assignment of interest under this Policy shall bind the Insurer until their consent is endorsed herein. However, should any Insured die or be adjudged bankrupt or insolvent the Insurer will consent to the assignment of this Policy to such Insured's legal representative provided that written notice is given to the Insurer within 30 days after the date of such death, bankruptcy or insolvency.

**6. WAIVER OF SUBROGATION**

Notwithstanding General Condition 1 of this Policy, in the event of the Insurer making payment to any Insured(s), the Insurer shall not exercise any rights of subrogation against any other Insured(s) hereunder except in relation to any claim for loss or damage resulting from any breach of a duty owned in a professional capacity by any Insured, other than the Named Insured. Such breach will include but not be limited to a fault, error or omission in design or specification.

**7. RELEASE**

Wherever the Insured is required by contractual agreement to release any Government, Public, Local or Statutory Authority, or any landlord or any other persons or parties from liability, with the Insured's consent such release is allowed without prejudice to this insurance. Notwithstanding General Condition 1 of this Policy, the Insurer agrees to waive all rights of subrogation against any such persons or parties in the event of any loss or Occurrence for which a claim for indemnity is made and subsequently indemnified under this Policy.

**8. CANCELLATION**

The Insurer may cancel this policy (subject to the provisions Insurances Contracts Act 1984) provided that 30 days written notice is given to the Insured.

**9. RUN OFF**

This Policy, will continue in full effect for any contract or work commenced in the Policy Period and insured hereunder in accordance with the Period of Insurance The Named Insured is required to supply the Insurer with a list of all incomplete contracts or works to run off along with projected completion date and the estimated value of outstanding work.



**10 INCREASED COVER FOR THE GOODS AND SERVICES TAX (GST)**

This policy covers the Insured for GST liability on settlement of claims, arising under Section 78-30 of A New Tax System (Goods and Services Tax) Act 1999. Any payment the Insurer makes to the Insured in this respect is in addition to the policy. The Insurer will pay these claims after the Insured has provided them with the appropriate approved Notification to the Commissioner of taxation as required under Section 23 of the A New Tax System (Goods and Services Tax Transition) Act 1999.

Where the GST inclusive claim settlement amount exceeds the policy limit, the Insurer(s) may pay the Insured an amount up to 10% above the maximum amount payable under the policy, to take account of the Insured's GST liability on the claim settlement, subject to any payment made in respect of the Insured's Section 78-30 liability. Claims for property damage will be paid under the basis of GST inclusive cost of repair or replacement.



## ADDITIONAL ENDORSEMENTS:

The following Endorsements are subject otherwise to the Terms, Conditions, Exclusions and Definitions of this Policy.

### 1. PRE-EXISTING PROPERTY (ARISING OUT OF CONSTRUCTION OPERATIONS)

It is hereby agreed and declared that the Insurer will indemnify the Insured against sudden and unforeseen physical loss or damage to Pre-existing Property (including floor and wall finishes or coverings) erected at the Contract Sites which are owned or in the care custody and control of the Insured provided such loss or damage:

1. arises out of the performance of the Construction Contracts described in the Schedule.
2. occurs during the Construction Period stated in the Schedule.

**Provided further that** the liability of the Insurer under this Endorsement shall not exceed the Sum Insured for any one indemnifiable event stated in the Schedule for Pre-existing Property.

The Insurer will not indemnify the Insured against:

1. loss or damage to contents greater than \$250,000
2. consequential loss or liability of any nature whatsoever.

#### Deductible

The amount of the Deductible shown in the Schedule shall be subtracted from the amount payable by the Insurer for each and every claim.

### 2. TESTING AND COMMISSIONING

It is hereby agreed and declared that this Policy is extended to indemnify the Insured against unforeseen physical loss or damage to Contract Works by its own electrical or mechanical breakdown failure or derangement provided such loss or damage:

1. Arising out of test operation, test loading, performance testing or commissioning at the construction site and,
2. Occurs during the Testing and Commissioning Period
  - 2.1 beginning with commencement of test running or the application of test loads
  - 2.2 and ending with
    - 2.2.1 the completion of Testing and Commissioning; or
    - 2.2.2 the issue of certificate of completion/acceptance; or
    - 2.2.3 the taking into commercial use of the Insured Property; or
    - 2.2.4 the expiry of the Testing and Commissioning Period of four weeks unless stated otherwise in the Schedule;
    - or
    - 2.2.5 the expiry date of the Construction period stated in the Schedule

whichever occurs soonest.



Simple functional checks of components or individual machines which do not involve the imposition of any loads carried out within an insured installation which is a complex of machines and prior to the commencement of testing of the insured installation as a whole, will not be classed as testing for the purposes of this Endorsement.

The Testing and Commissioning Period stated applies to each item of plant .

#### Supplementary Exclusions

1. The Insurer shall not indemnify the Insured against loss or damage:
  - 1.1 Arising out of the imposition of abnormal conditions, intentional overloading or experiments
  - 1.2 Resulting from testing or commissioning of secondhand machinery, plant or equipment
  - 1.3 To or spoilage of any feedstock materials
  
2. The Insurer shall not indemnify the Insured against damage to:
  - 2.1 Cutting-tools, knives, blades or edges
  - 2.2 Moulding, shaping forming dies, moulds, patterns or templates
  - 2.3 Gaskets, seals, glands or other jointing or sealing material
  - 2.4 Painted, plated or polished surfaces by scratching or discolouration
  - 2.5 Parts requiring periodic or frequent replacement, repair or maintenance such as (but not limited to):
    - fuses, shear-pins, rupture plates or other expandable load limiting devices
    - pulverising and crushing surfaces, screens, sieves and filters
  
3. The Insurer will not indemnify the Insured for loss or damage for which the supplier or manufacturer is responsible either by law or under contract.

#### Deductible

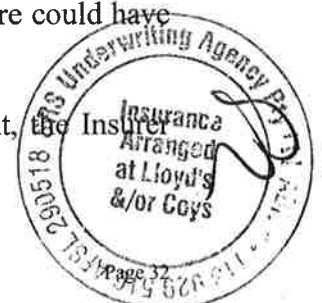
The amount of the Deductible shown in the Schedule shall be subtracted from the amount payable by the Insurer for each and every claim.

### 3. DEWATERING (PARTIAL COVER)

It is hereby agreed and declared that the Insurer will not indemnify the Insured in respect of:

1. additional dewatering expenses incurred because the quantities of water exceed those allowed for in the Construction Contract.
2. expenses incurred for additional installations and facilities for the discharge of run-off and/or underground water.
3. expenses incurred for grouting or any other measures to remedy leakage of water into excavations, foundations or basements.
4. loss or damage due to failure of the dewatering system if such failure could have been avoided by sufficient stand-by facilities.

Notwithstanding anything contained in points 1 to 3 of this endorsement, the Insurer will indemnify the Insured against the cost of:



- a) dewatering necessary to provide initial access to, and to allow repairs to be effected to previously completed sections of the Contract Works whether damaged or undamaged following indemnifiable event but not exceeding the cost of dewatering which is being incurred immediately prior to the indemnifiable event; and
- b) repairing or replacing previously completed water discharge or control installation and facilities which have been lost or damaged as a consequence of an indemnifiable event

#### 4. INCOMPLETE TRENCHES

It is hereby agreed and declared that the Insurer will only indemnify the Insured against an indemnifiable event for all Incomplete Trenches only up to a maximum combined length of 500 metres any one indemnifiable event.

For the purposes of this Endorsement, Incomplete Trenches shall mean a partially or completely excavated trench (including shafts or pits) with or without pipes, ducts or cable laid therein. This shall apply at any stage of construction prior to completion of backfill and final compaction.

#### Supplementary Exclusions

The Insurer will not indemnify the Insured against:

1. the cost of rectification of subsidence of completed backfill regardless of the cause of the subsidence.
2. clearing and cleaning pipes, the ends of which have not been sealed by the end of each working day to prevent penetration by water and/or detritus.
3. displacement of pipes or ducts by water unless such pipes or ducts have been secured by the end of each working day by backfilling placed in a manner intended to counteract pipe buoyancy.

#### Deductible

The amount of the Deductible shown in the Schedule will be subtracted from the amount payable by the Insurer for Incomplete Trenches.

Where loss or damage also occurs to other parts of Insured Property the largest relevant deductible shall apply to the loss as a whole.

#### 5. VEGETATION

It is hereby agreed and declared that the Insurer will not indemnify the Insured for loss of or damage to vegetation which forms part of the Insured Property and which arises directly or indirectly from:

1. disease
2. lack of water
3. excess water
4. moth, termites or other insects, vermin, mildew, mould or wet or dry rot
5. replanting operations
6. transportation operations



## 6 INCOMPLETE REVETMENTS

It is hereby agreed and declared that the Insurer will only indemnify the Insured against an indemnifiable event for all Incomplete Revetments up to a maximum length of 250 metres any one indemnifiable event.

For the purpose of this Endorsement, Incomplete Revetments shall mean a partial or fully completed wall, facing, geomembrane or foundation prior to completion of backfill and final compaction. This shall apply at any stage of construction prior to completion of backfill and final compaction.

### Deductible

The amount of the Deductible shown in the Schedule will be subtracted from the amount payable by the Insurer for each and every claim for loss or damage to Incomplete Revetments.

Where loss or damage also occurs to other parts of Insured Property the largest relevant deductible shall apply to the loss as a whole.

## 7. LOSS OF STABILISING FLUID

It is hereby agreed and declared that the Insurer will not indemnify the Insured against loss of Bentonite or other stabilising medium whilst being used.

This Endorsement is subject otherwise to the Terms, Conditions, Exclusions and Definitions of the Policy to which it is attached.

## 8. UNSEALED ROADWORKS

It is hereby agreed and declared that the Insurer will only indemnify the Insured against an indemnifiable event for all Unsealed Roadworks up to a maximum length of 2000 metres any one indemnifiable Event.

For the purpose of this Endorsement, Unsealed Roadworks shall mean partial or completed roadworks that have not received a minimum of one application of a weather proof course or substance.

## 9. HOTWORK (Applicable Section 1 Only)

It is hereby agreed and declared that the Insurer will not indemnify the Insured against loss or damage resulting directly or indirectly from Hotwork where such loss or damage could have been avoided or diminished by:

1. the provision of adequate fire-fighting equipment, extinguishing agents of sufficient capacity and a sufficient number of workmen available and fully trained in use of such equipment.
2. all flammable material, flammable liquids and gases being located at a sufficient distance from the area where Hotwork is being performed. Where flammable material, flammable liquids and gases cannot be moved to a safe area, such material shall be protected by overlapping sheets or non-combustible protective material.
3. all glass being located at a sufficient distance from the area where Hotwork is being performed. Where glass cannot be moved to a safe area, such glass shall be protected by overlapping sheets of non-combustible protective material.



4. a thorough examination in the vicinity of the Hotwork approximately one hour after the termination of each day's operations
5. The provision of a Hotwork permit system in accordance with AS1674.1: Safety in Welding and Allied Processes – Fire Precautions

#### Definition

Hotwork – being welding, cutting, grinding or any process requiring the application of heat.

### **10. SPECIAL CONDITIONS FOR LAYING WATER SUPPLY OR SEWER PIPES**

It is agreed and understood that otherwise subject to the terms, exclusion, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall indemnify the Insured for any loss, damage or liability due to the flooding or silting of pipes, trenches or shafts only up to the maximum length of open trench stated below, partially or completely excavated, for any one loss event.

The Insurer shall be liable only if:

1. the pipes, immediately after laying, have been secured in such a manner by backfilling that they cannot be displaced if the trench is flooded;
2. the pipes, immediately after laying, have been closed to prevent water, silt or the like from penetrating;
3. the trenches of tested pipe sections have been backfilled immediately upon completion of the pressure test.

Maximum length: 500 metres.

### **11. SPECIAL CONDITIONS CONCERNING PILING FOUNDATIONS AND RETAINING WALLS WORKS**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall not indemnify the Insured in respect of expenses incurred:

1. for replacing or rectifying piles or retaining wall elements
  - a) which have become misplaced or misaligned or jammed during their construction
  - b) which are lost or abandoned or damaged during driving or extraction, or
  - c) which have become obstructed by jammed or damaged piling equipment or casing,
2. for rectifying disconnected or declutched sheet piles,
3. for rectifying any leakage or infiltration of material of any kind,
4. for filling voids or for replacing lost bentonite,
5. as a result of any piles or foundation elements having failed to pass a load bearing test or otherwise not having reached their designed load bearing capacity,
6. for reinstatement of piling or retaining wall profiles or dimensions



**12. VIBRATION REMOVAL AND WEAKENING OF SUPPORT CONDITION**

For claims arising from or attributable to damage to any property, land or building caused by subsidence, collapse, vibration or the removal or weakening of support(s) cover is subject to:

The demolition, 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.

