

Construction Insurance Policy

Please read this policy in conjunction with the
Certificate of Insurance



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Ansvar Insurance – Insurance products with flexible solutions

Our history

Ansvar Insurance has been a trusted name in Australia since 1961. Owned by UK Insurance company, Ecclesiastical Insurance Office plc, we enjoy substantial financial backing and are proud to meet the rigorous regulatory requirements of an insurer serving Australians.

Why insure through Ansvar Insurance?

With almost 50 years of experience in Australia we understand what customers are seeking in their insurance company: a trusted, responsible and professional organisation where you are treated with respect and care and offered choice and flexibility. Offering value for money, personal service and a demonstrated commitment to community programs explains why we are the insurer of choice for our Australia wide customers.

Developing our young Australians

We are honoured to provide support to many community organisations throughout Australia. Each organisation provides valuable support to improve and enrich the lives of Australian youth so that they may contribute positively to the community in which they live. To find out more about our grants to Community Education Program please visit our website ansvar.com.au

Our insurance advantage

Ansvar Insurance is a specialist insurance company with a deep understanding of the issues confronting our customers.

We believe in offering more than just insurance. Our dedicated staff are committed to helping clients protect their assets by providing:

- specialist insurance advice in our core markets
- flexibility in underwriting
- independent, on-site, risk management inspections and expert advice to find solutions
- risk management seminars and advice on helping clients develop their risk management programs

Who is the insurer and how can we be contacted?

Ansvar Insurance Limited, ABN 21007 216 506, is the issuer of this insurance policy. The registered office of Ansvar Insurance is Level 5, 1 Southbank Boulevard, Southbank, Victoria 3006. The Ansvar Insurance Australian Financial Services Licence number is 237826.

You can contact us by:

- calling in person at any Ansvar Insurance office
- telephoning 1300 650 540
- facsimile on 03 9804 5001
- writing to any office of Ansvar Insurance
- email to insure@ansvar.com.au

Cooling off period

We will refund the entire premium you have paid for cover under this insurance policy if you cancel the policy within 21 days of its commencement. To do this, you must advise us in writing and return the insurance policy and certificate of insurance to your nearest Ansvar Insurance office.

You will **not** receive a refund if you have made a claim, or intend to make a claim, under the insurance policy.

Terrorism

This policy excludes cover as a result of terrorism.

In the event that property damage and/or property owners liability occur linked to an event declared a terrorism incident by the responsible Minister, then you may be afforded protection within the limits of indemnity of this policy by virtue of the Terrorism Insurance Act 2003. The operations of this Act may also serve to reduce the settlement of your loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Minister.

A more detailed explanation of the operation of the Terrorism Insurance Act 2003 can be obtained at www.arpc.gov.au.

Costs

The premium payable by you is shown in your Certificate of Insurance. The factors used to determine the premium payable under this policy include:

- the structure to be built and construction method utilized;
- the location and condition of the building site and site preparation works required;
- the experience of the builder and other main contractors for the proposed works and their claims/incidents/insurance history;
- the property/equipment/costs to be insured and their value;
- the construction and maintenance/defects liability periods (short-term/annual);
- the physical protection of the building site and other loss minimization features ie perimeter fencing, site supervision etc;
- the exposure of the insured property and/or equipment to weather perils;
- the sections of policy cover selected;
- the extent of cover including public liability cover or extensions required;
- the sums insured or limits of liability;
- the excess selected.

The premium is payable either when the product is purchased or by direct bank debit when you elect to pay it monthly. If you elect to pay monthly there is an additional fee. A cancellation fee may apply if you cancel your insurance policy before expiry.

Premiums and fees are subject to Commonwealth and State taxes and levies which include Goods and Services Tax, Stamp Duty and Fire or Emergency Services Levy (if applicable to you in your State). All are shown in your certificate of insurance.

Code of Practice and Privacy Act

As a signatory to The General Insurance Code of Practice we are committed to raising standards of service to our customers. This voluntary code sets out the minimum standards we will uphold in the services we provide to you.

The Privacy Act sets out how we are to collect, use, disclose and protect your personal information. It also describes the circumstances for you to access and, if necessary correct your personal information.

Complaints

If you are not satisfied with our service we recommend that you use the complaints procedure set out below. The type of complaint could relate to the behaviour of or advice given by an Ansvr Insurance employee or authorised representative, a decision on a claim, the privacy of your personal

information or any other matter relating to your insurance that is of concern to you. These procedures are available free of charge to you.

First, contact the employee or authorised representative with whom you have had contact to see if he or she can resolve the problem. If that is not possible, then contact the Regional Manager in your state. The Regional Manager will review the information and give you a response as quickly as possible; but no later than three working days from the date when the complaint is received.

If you are not satisfied with the response given by the Regional Manager, then please put your unresolved complaint in a letter and address it to:

The Secretary
Internal Dispute Resolution Committee
Ansvar Insurance Limited
Level 5, 1 Southbank Boulevard, Southbank, Victoria 3006

You can also telephone the Secretary with your complaint on (03) 8630 3100, fax it on (03) 9804 5001, or choose to email your complaint to the Secretary at insure@ansvar.com.au

The Secretary will refer your complaint to the Committee which comprises the CEO, an Executive Manager and one of the non executive directors of Ansvar Insurance Limited, for a decision.

The Internal Dispute Resolution Committee has appropriate authority to deal with unresolved complaints. You will receive a response within seven (7) working days from the time the Internal Dispute Resolution Committee receives your unresolved complaint, or alternatively you will be asked for further information. If further information is required, you will receive a decision within seven (7) working days from the time Ansvar Insurance receives the additional information.

What if we don't resolve your problem?

Once the Internal Dispute Resolution Committee gives you an answer, we will provide you with information about external dispute resolution if that is available.

For many complaints that is the Financial Ombudsman Service (FOS). FOS provides a free and independent dispute resolution service for consumers which have general insurance disputes that are covered by its Terms of Reference. If you wish your dispute to be reviewed by FOS, you must refer your dispute to FOS within three calendar months of receiving the Internal Disputes Resolution Committee's decision. You can do this by contacting FOS at:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001
Ph: 1300 78 08 08 (National toll free)
Ph: (03) 9613 7366
Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Alternatively, you may further pursue your unresolved complaint through a formal legal process such as the courts, mediation, or arbitration.

For privacy complaints you may approach the Federal Privacy Commissioner. A copy of the General Insurance Code of Practice and privacy principles can be obtained from our website ansvar.com.au or from one of our offices.

Important notice to Policyholders

It is important to read/retain the following documents and keep them in a safe and convenient place:

- this document
- your current Certificate of Insurance

Remember to regularly review your insurance policy, particularly at renewal to ensure your insurance policy provides the cover that you currently need.

Duty of disclosure

Before you enter into an insurance contract with us, you are required to tell us every matter that is known to you, being a matter that:

- you know to be relevant to the decision by us to accept the risk and if so, on what terms; or
- a reasonable person in the circumstances could be expected to know to be a matter so relevant.

If you have not disclosed all relevant information, or if you have misinterpreted the facts, then we may be entitled to cancel the policy, reduce the sum insured, or treat the policy as never having existed.

If you do not tell us all relevant matters we can reduce the amount we pay for any claim or cancel this insurance policy. If your non disclosure is fraudulent we can void the insurance policy from the beginning.

Goods and Services Tax (GST)

This insurance policy has provision for payment of Goods and Services Tax:

- by you in relation to premiums
- by us in relation to claims

The contract between you and Ansvar Insurance

In consideration of payment of your premium, we will insure you against the events described in this insurance policy. Your insurance commences and concludes at 4.00pm local time on the dates shown in your certificate of insurance.

We only insure you for those policy sections and optional benefits that are shown on the certificate of insurance.

If the terms of this policy are not observed, cover may be reduced or cancelled.

Definitions

In this insurance policy:

- basis of settlement*** means the method by which your claim is paid by us as stated in this insurance policy, or as otherwise specified in the certificate of insurance.
- certificate of insurance*** means the certificate of insurance attaching to this policy or any certificate of insurance subsequently issued during the period of insurance.
- excess*** means the amount shown in the certificate of insurance that you will have to pay when you make a claim under this insurance policy.
- geographical limits*** means anywhere in Australia or New Zealand and elsewhere if we have agreed to this in writing and this is shown in the certificate of insurance.
- location*** means the location/place where the works are being carried out, the materials stored or the equipment kept and shown in the certificate of insurance.
- terrorism act*** means 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 of that nation, or in pursuit of political, religious, ideological, ethnic or similar purposes or reasons to intimidate the public or a section of the public of any nation, by any person or groups of persons whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto, and which:
1. involves force or violence against one or more persons, or threat thereof; or
 2. involves damage to property; or
 3. endangers life other than that of the person committing the action; or
 4. creates a risk to health or safety of the public or a section of the public; or
 5. is designed to interfere with or disrupt an electronic system.
- we, us, our*** means Ansvar Insurance Limited ABN 21 007 216 506
- you, your*** means:

1. the person, corporation or legal entity insured under this policy and shown in the certificate of insurance;
2. any subsidiary company, organisation or entity under your control and over which you exercise active management, existing at the commencement date or acquired during the period of insurance;
3. the directors, officers and employees (including work experience, social workers and volunteers) of a named insured or of any subsidiary company, organisation or entity, but only whilst acting within the scope of their duties in such capacity
4. any principal arising out of the performance by you of any work for such principal, but only:
 - a. to the extent required by such contract or agreement; and
 - b. to the extent of the coverage and limits of liability provided by this policy;

Provided that:

- a. each party comprising the above shall comply with and be subject to the provisions of this policy in so far as they can apply;
- b. each party shall be considered a separate and distinct insured party as if a separate policy had been issued to each of them; and
- c. nothing in this definition shall operate to increase the indemnity provided beyond the limits of liability under this policy.

Cover – Section 1: Material Damage

If the items insured or any part of the property insured referred to in the certificate of insurance suffer any physical loss or damage at the construction site as a result of any accident:

1. during the construction period; or
2. during the maintenance period, caused by the contractor(s) or subcontractor(s) in the course of work carried out for the purpose of complying with the maintenance obligations of the contract; or
3. during the maintenance period provided that such loss or damage was caused on the site during the construction period;

in circumstances requiring their repair or replacement, we will indemnify you under this section in accordance with the provisions of this policy.

Period of indemnify

Our liability under this policy:

1. During the construction period:
 - a. will commence on the date specified in the certificate of insurance; or
 - b. will start upon commencement of work on site, if later; and
 - c. will cease for those parts of the insured contract works which are taken over, occupied by the principal or some other person or put into service; and will finish when the entire contract works are completed or at the expiration of the period of insurance, whichever is the earlier.
2. During any maintenance period required by the building contract:
 - a. will commence on the same day the construction period expires; and

- b. will cease on the day the obligations of the contractor under the maintenance clause of the building contract are completed or
- c. will cease at the expiration of the maintenance period shown in the certificate of insurance, whichever is the earlier.

Any extension to the construction or maintenance periods of cover must be subject to our written agreement.

Basis of settlement

We will at our option replace or repair the whole or part of an item of property damaged or pay its actual value immediately before the occurrence of the loss up to the sum insured on such item shown in the certificate of insurance, as a result of:

1. damage to the permanent and temporary contract works, which occurs and is discovered during the period of indemnity.
2. damage to all materials to be incorporated therein, including principal-supplied materials stored at the contract site prior to incorporation in the works

All damage which can be repaired must be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, settlement will be made on the basis that the items have been totally lost.

We will also pay:

1. costs and expenses necessarily and reasonably incurred for the temporary protection and safety of property hereby insured pending repair or replacement consequent upon damage recoverable hereunder;
2. the cost of any provisional repairs where such repairs constitute part of the final repairs and do not increase the total repair cost;
3. loss of or damage to tools, sheds, hutments, temporary buildings, hoardings, scaffoldings, formwork, falsework and other construction equipment belonging to you and/or the main contractor brought on to the contract site for the purpose of the contract, up to the sum insured under item 2 of the certificate of insurance;
4. the cost of demolishing, clearing and removal of debris, including dewatering, following any occurrence giving rise to a claim under this Policy up to the sum insured under item 3 of the certificate of insurance;
5. architects', engineers', surveyors' and consultants' fees necessarily incurred by you for the replacement or repair of the insured items following loss or damage from any cause insured under this policy, but exclusive of fees incurred for the preparation of a claim or estimation of a loss up to the sum insured under item 4 of the certificate of insurance;
6. loss of or damage to tools, equipment, or construction machinery separately insured under items 5 of the certificate of insurance;
7. damage to existing property located on or adjacent to the site and belonging to or held in the care, custody or control of the principal(s) or the contractor(s) or subcontractor(s), not being construction machinery, plant or equipment, arising from an event not excluded by this policy during the period of indemnity in direct connection with the construction of the items insured under this Policy and up to the sum insured under item 6 of the certificate of insurance;
8. additional charges for overtime, night work, work carried out on public holidays, or express freight where agreed upon and noted by endorsement on this policy.

Provided that:

1. we will deduct the amount realised by any salvage sale of damaged property;
2. we will deduct the cost of any alterations, additions and/or improvements
3. our liability will not exceed the sum insured set opposite the item in the certificate of insurance and in all the total sum expressed in the certificate of insurance as being the amount of the total sum insured.

The Deductible will be subtracted from the amount calculated in accordance with the above.

Exclusions

This policy does not cover:

1. the amount of the excess stated in the certificate of insurance to be borne by the insured for any one occurrence.
2. consequential loss of any kind or description whatsoever, including penalties, losses due to delay, lack of performance, loss of contract.
3. loss or damage due to any fault, defect, error or omission in design, plan or specification.
4. the cost of replacement, repair or rectification of any loss or damage caused by any fault, defect, error or omission in material or workmanship, but this exclusion will be limited to the machine, structure or works immediately affected and will not exclude loss of or damage to work properly carried out resulting from an accident due to such fault, defect, error or omission.
5. wear and tear, corrosion, oxidation, or deterioration due to lack of use or atmospheric conditions.
6. loss or damage caused by or arising from the test operation, or test loading, or any other operation of any machinery, equipment or plant the installation of which forms part of the contract works, unless specially agreed upon by endorsement.
7. mechanical and/or electrical and/or electronic breakdown or malfunction of construction plant, equipment and machinery.
8. loss of or damage to vehicles or contractors machinery or plant, unless in use on the contract site in direct connection with the contract works and listed under item 5 of the certificate of insurance.
9. loss of or damage to waterborne vessels or aircraft.
10. loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities, cheques or any other documents of whatever nature.
11. loss or damage discovered only at the time an inventory is taken.

Cover – Section 2: Third Party Liability

We will cover you up to but not exceeding the amount specified in the certificate of insurance against such sums which you become legally liable to pay as damages consequent upon:

1. accidental bodily injury to or illness of third parties (whether fatal or not);

2. accidental loss of or damage to property belonging to third parties;

and happening on or in the immediate vicinity of the site in direct connection with the construction or erection of the items insured under Section 1 during the construction period, or in the course of work carried out during the maintenance period by the contractor(s) or sub contractor(s) for the purpose of complying with the maintenance obligations of the contract insured under Section 1.

In respect of a claim for compensation to which the indemnity provided herein applies, we will in addition indemnify you against all cost and expenses of litigation recovered from you by any claimant, and all cost and expenses you incur with our written consent. If these costs and expenses, together with the damages which we have to pay exceed the amount specified in the certificate of insurance, the amount payable by us will be in the proportion that the limit of liability bears to the total amount required to settle the claim.

Limit of liability

The limit of our liability is the total sum insured as shown in the certificate of insurance.

Exclusions

This policy does not cover:

1. the amount of the excess stated in the certificate of insurance to be borne by the insured for any one occurrence.
2. the expenditure incurred in doing, redoing, making good, repairing, or replacing anything covered or coverable under Section 1 of this Policy.
3. to any property, land or building caused by vibration or by the removal of weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement).
4. liability consequent upon
 - a. bodily injury to or illness of employees or workmen of the principal(s) or the contractor(s) or sub contractor(s) or any other firm or person connected with the project which or part of which is insured under Section 1, or members of their family;
 - b. loss of or damage to property belonging to or held in care, custody or control of the principal(s) or the contractor(s) or sub contractor(s) or an employee or workman of one of the aforesaid;
 - c. any accident caused by vehicles licensed for general road use unless such vehicles are being used on the contract site in direct connection with the contract works and are listed under Item 3 of the Schedule;
 - d. any accident caused by waterborne vessels or aircraft;
 - e. any agreement by the Insured to pay the sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

Exclusions applicable to all sections

This policy does not cover any loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

1. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war,

rebellion, revolution, insurrection, mutiny, military or usurped power, conspiracy, confiscation, commandeering, requisition, destruction or damage by order of any government de jure or de facto or by any public authority;

2. act of persons taking part in riot, civil commotion, strike, lockout, labour disturbance, or conspiracy, or malicious persons acting on behalf of or in connection with any political organisation;
3. persons employed in connection with the contract works retarding, interrupting or ceasing any process, operation or work;
4. nuclear reaction, nuclear radiation or radioactive contamination;
5. wilful act or wilful negligence or recklessness of the insured or the agents or representatives of the insured;
6. cessation of work for any reason whether total or partial.
7. arising directly or indirectly from or based upon or attributable to or in consequence of any terrorism act, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, or any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to a terrorism act.

In any action, suit or other proceeding where the Insurers allege that, by reason of the provisions of Exclusion 1 or 2 above, any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

General conditions

Additional parties

Where this policy insures more than one separate legal entity or person, it shall apply to each party in the same manner as if a separate policy had been issued to each of them, provided that in so doing, our limit of liability shown in the certificate of insurance in respect of any one occurrence and any aggregate limit of liability for the period of cover, shall not be increased.

Any failure by any party to:

- comply with the duty of disclosure in terms of the Insurance Contracts Act 1984; or
- comply with any obligation in terms of this policy; or
- refrain from conduct which is dishonest, fraudulent, criminal or malicious

shall not prejudice the right of the remaining party or parties to indemnity under this policy provided that such remaining party or parties shall not have had prior knowledge of any such failure and/or non compliance and shall as soon as practicable after becoming aware of any such failure, advise us in writing of all relevant circumstances.

We agree to waive all rights of subrogation or action which we may be entitled to against any insured party under this policy.

Adequacy of sum insured

It is a condition of this Policy that you must have nominated sums insured as stated in the certificate of insurance which are not less than:

For Item 1

1. the estimated full value of the contract works at completion of construction consisting of the contract price inclusive of all materials, wages, freight, customs duties and dues;

2. all materials or parts supplied by the principal(s);
3. an amount representing the escalation of values of the property by the time the construction works are completed (escalation allowance).

For Items 2 and 5

The new replacement value of tools, equipment and temporary buildings, scaffolding, hoardings, formwork, falsework and construction machinery at commencement of the construction period being the cost of replacement of the insured items by new items of the same kind and capacity.

It is a further condition of this Policy in relation to items 1, 2 and 5 in the certificate of insurance:

1. that you must increase or decrease the amount of insurance stated under those items in the certificate of insurance in the event of any material fluctuation in wages or prices not already considered under the escalation allowance but provided always that such increase or decrease takes effect only after it has been recorded in this policy by endorsement by us;
2. that if in the event of loss or damage to items 1,2, or 5 it is found that the sums insured are less than 90% of the amounts required to be insured pursuant to this condition, the amount recoverable by you under this policy in respect of those items will be reduced by such proportion as the sums insured bear to 90% of the amounts required to be insured. Every object and cost within these items will be subject separately to this condition;
3. that you must within one month from the expiry of the construction period declare to us the final value of the contract works. If such value differs from the sum insured shown in the certificate of insurance, we will adjust the premium and request payment of the shortfall in premium or proceed with a refund of the overpaid premium as the case may be.

For Items 3 and 4

The sums insured stated in the certificate of insurance are the amounts for which you require cover for:

1. the cost of demolishing, clearing and removal of debris, including dewatering;
2. architects', engineers', surveyors' and consultants' fees;

which you will incur for replacement or repair of the insured items in the event of physical loss or damage to the contract works.

Adjustment of premium

Where this policy or any section is arranged on an adjustable basis, you must keep accurate records and make declarations to us so that the necessary adjustment of premium may be applied, subject to us retaining our minimum premium.

Alteration of risk

You must notify us immediately by facsimile, telegram or telex of any material change in the risk and the nature of the risk and confirm such notification by providing full details in writing. In such event, you must at your own expense take such additional precautions to minimise the risk or any hazard to the risk as are reasonable in all the circumstances and must comply with our reasonable directions or requirements. The scope of cover and/or premium will, if necessary, be adjusted by us accordingly.

Provided that no material alteration will be made or allowed by you whereby the risk is increased unless agreed to in writing by us.

Cancellation

You may cancel this insurance policy at any time by notifying us in writing. You may be required to pay a cancellation fee if you cancel the insurance policy mid-term.

We can cancel this insurance policy in accordance with the Insurance Contracts Act 1984. We will be entitled to retain premium for the period during which the insurance policy has been in force.

In either case we may also retain reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover. The Fire Services Levy may be retained by us.

Examination of books and records

We may examine your books and records of all equipment under this policy at any time during the period of insurance and up to 12 months after the policy expiration or resolution of all claims under the insurance policy.

Excess

Your financial contribution if you have a claim is known as the 'excess'. The excess amount that you will have to pay when you make a claim is shown in your policy schedule.

Headings

Clauses and other headings are for ease of reference only and will not be deemed to form any part of the context or affect the interpretation of this policy.

Jurisdiction

This insurance policy shall be governed and construed in accordance with the laws of Australia. Any dispute shall be resolved in accordance with the laws of Australia.

Other insurance

You must inform us of any other insurance which may also cover the equipment under this insurance policy.

Other interests

You must not transfer your interest or any entitlement under this policy without our written consent.

Our right of inspection

Our representatives shall at any reasonable time have the right to inspect and examine the construction site and any other location, article, plant or equipment associated directly or indirectly with the risk and you will provide our representatives with all details and information necessary for the assessment of the risk.

Period for action

We shall on no account be liable for loss or damage under section 1 of this policy of which no notice has been received by us within 14 days of its occurrence.

Upon notification of the circumstances which may give rise to a claim for property damage, you may carry out repairs or make good any minor damage; in all other cases our representative shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If we do not arrange for a representative to carry out the inspection within a period of time which could be considered reasonable under the circumstances, you shall be entitled to proceed with the repairs or replacement. Our liability under this Policy in respect of any item sustaining damage shall cease if the said item is not repaired properly without delay

Nothing contained herein shall relieve you of your obligation to take such steps as are absolutely necessary for the upkeep of operations at the construction site.

In the event of any claim made under section 1 of this policy being rejected and no action or suit being commenced within two years after such rejection, you will forfeit all rights to claim under this policy and to prosecute any claim.

Precautions

It is incumbent on you or your employees and agents at your expense to:

1. to take all reasonable precautions to prevent loss or damage;
2. to comply with all reasonable recommendations made by us to prevent loss or damage;
3. to comply with all statutory requirements and recommendations of manufacturers.

Privacy

We respect your privacy and comply with the General Insurance Information Privacy Code. A copy of our privacy policy and procedures are available at any of our offices.

Plural and singular

Words importing the singular number shall include the plural and vice versa.

Reinstatement of sum insured

Following loss of or damage to any item or any part of any item insured under this policy, the sums insured in respect of items 1,2,5 and 6 in the certificate of insurance will immediately be reduced by the amount paid or payable in respect of such loss or damage. We will reinstate to the full amount stated in the certificate of insurance in respect of any such item or part, provided that an additional premium is paid by you upon any amount so reinstated. The additional premium will be the same proportion of the premium for the item as the amount reinstated bears to the sum insured for the item reinstated.

Subrogation

If we make any payment under this insurance policy, then to the extent of that payment, we may exercise any rights of recovery held by you against any other person whom you may be able to hold liable or responsible. You must not do anything which reduces any such rights and must provide reasonable assistance to us in pursuing any such rights.

If we make any recovery as a result of such action you will be entitled to recover any amount by which the recovery exceeds the amount paid by us under the policy in relation to the loss.

Third party interests

You must not transfer interests in this policy without our written consent.

All persons entitled to any benefit under this policy are bound by the terms of this policy.

We insure those interests you notify to us when we issue cover or which are notified to us during the currency of this policy and which we agree to insure.

Waiver of rights

If you agree or have agreed not to seek compensation from any other party who would otherwise be liable to compensate you for any liability insured by this policy, we will not be liable to compensate you with respect to that liability.

Claims procedures

Following an event giving rise to a claim, it is your responsibility to:

1. notify us immediately by facsimile, telex, telephone or telegram and to confirm such notification in writing giving an indication of the nature and extent of the loss or damage. We will not be liable in any event to extend cover for loss or damage of which no notice has been received by us within fourteen days of its occurrence;
2. take all steps within your power to minimise the extent of the loss or damage;
3. inform the policy authorities in the case of loss or damage due to theft or burglary;
4. preserve the parts effected and any damaged equipment and make them available for inspection by us, if we request this;
5. furnish all such information and documentary evidence as the Insurer may require;

Where required a claim form will be sent to you when you advise us of the claim. Please complete and return this form promptly.

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

Nothing contained in this Clause or in any other Clause of this Policy will relieve you of any obligation to take such steps as are necessary to ensure that the operations at the construction site are at all times carried out so as to minimise the risk of any claim being made under this policy. We will not be liable to afford cover with respect to any item to which damage has been sustained if that item is not repaired properly and without delay.

We may take possession of damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you may not abandon it to us.

Any letters, notices, or legal documents you receive which relate to the event are to be forwarded to Ansvr Insurance immediately.

Settlement of claims – own damage

We will have full discretion in the conduct and settlement of any claim in accordance with the basis of settlement and to take any action in your name for the reduction of the loss. Any party entitled to cover under this Policy must not hinder these rights and must give all information and co-operation required by us.

We will make payment under this policy as soon as you will have produced to our reasonable satisfaction all accounts, invoices, receipts and other documentation indicating that repairs have been effected or replacement has taken place, as the case may be.

Settlement of claims – third party liability

You must not make any admission of liability, offer, promise of payment, take any action that may be considered to be an admission of liability, settle or repudiate a claim without our prior written consent.

We shall have full discretion in the conduct and defence, in your name and on your behalf, of any proceedings in connection with, and in the settlement of, any claim and you shall give all such information and assistance as we may require. We shall be entitled to attend any inquest or fatal accident inquiry in respect of which there may arise any liability under this policy.

If you refuse to consent to any settlement recommended by us and elect to contest or continue any legal proceedings in connection therewith, our liability for the claim shall not exceed the amount for which the claim could have been so settled, less the applicable excess, plus costs and expenses incurred up to the date of such refusal.

We may pay you the amount applicable as the limit of our liability or such lesser sum for which the claim can be settled subject in either case to deduction of any sum or sums already paid as compensation in respect of such claim. We will be under no further liability in respect of such claim except for the payment of costs and expenses incurred prior to the date of such payment for which we are liable.

You shall at our expense do and concur in doing and permit to be done all such acts and things as may be necessary or required by us in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this policy) to which we are or would become entitled or which is or which would be subrogated to them upon us paying for or making good any loss or damage under this policy, whether such acts and things are or become necessary or required before or after your indemnification by us.

Fraudulent claims

As a protection for all insurance policy holders we will take legal action against any person who makes a fraudulent claim.

If a fraudulent claim is made we will not pay it and we will take action to recover any moneys already disbursed in respect of the claim. We will also cancel the insurance policy.

Supplementary Product Disclosure Statement (SPDS)

Construction Insurance Policy

Preparation Date: 06/07/2012

This document is an SPDS that updates and amends the Construction Insurance Policy Product Disclosure Statement and Policy Document (PDS) issued by Ansvar Insurance and provided to you. It is issued by the insurer Ansvar Insurance Limited (Ansvar Insurance) ABN 21 007 216 506, Australian Financial Services Licence (AFS) number 237826 of Level 5, 1 Southbank Boulevard, Southbank, VIC 3006. Where this SPDS applies, it must be read together with the PDS and any other SPDS that you are given which updates or amends the PDS.

Please contact us or your insurance intermediary if you require another copy of the PDS issued by us to you.

This SPDS only applies in relation to business owners and operators, situations or risk addresses that are located in the State of Victoria, Australia and amends the PDS as follows:

The following additional conditions are added to the “**Conditions of cover**” section of the PDS:

Victorian Fire Services Levy

Other than as required by law, we will not refund any amount paid by you that is referable to our estimate of the Victorian Fire Services Levy for any policy that was issued on or after 1 August 2012.

Under the Metropolitan Fire Brigades Act 1958 (VIC) and the Country Fire Authority Act 1958 (VIC) insurers insuring against fire in respect of property in Victoria are required to contribute 75% of the annual budget of the Metropolitan Fire and Emergency Services Board and 77.5% of the annual budget for the Country Fire Authority.

The amount we are required to pay is determined by reference to the percentage of premium we collect compared to the premium of all other insurers insuring fire property in Victoria. This percentage is not known at the date of issue of your policy and therefore we allocate to all relevant policies our estimate of the amount that we will be required to pay towards this contribution. The amount (if any) that we have estimated for your policy is shown in the “Premium Details” section of your policy schedule and is described as “Emergency and / or Fire Services Levies”.

We are not able to calculate in advance the exact amount we need to allocate to your policy and all other relevant policies and, as a consequence, we may either over-recover or under-recover these amounts in any particular year. The under- and over-recoveries are reported to the Victorian fire service authorities but no adjustment will be made to your premium by reference to any such under- or over- recovery.

From 1 July 2013 insurers will no longer be required to contribute to the Victorian fire services authorities and so policies issued on or after this date will not include any amounts referable to the Victorian Fire Services Levy.

What happens if you change the expiry date of your policy?

Ansvar Insurance must be notified in writing of any changes to contract dates, in these instances the Victorian FSL charge as is appears on the certificate of insurance for the relevant policy would not be refunded.

Costs

The last paragraph of “**Costs**” clause within the PDS, is deleted and replaced with the following:

Premiums and fees are subject to Commonwealth and State taxes and levies which include Goods and Services Tax, Stamp Duty and Fire or Emergency Services Levy (if applicable in your State). All are shown in your certificate of insurance.

Cancellation

The following paragraph is added to the “Cancellation” clause within the General Conditions section of the policy “In either case we may also retain reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover. The Fire Services Levy may be retained by us.”

AD Level 5, 1 Southbank Boulevard,
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Ansvar Insurance Ltd.
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