



## **The Crown in Right of the State of South Australia**

### **Construction Risks – First Excess Liability Annual Insurance Policy**

**Period of insurance**

**31 October 2024 to 31 October 2025**

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## Introduction

In consideration of the Named Insured having paid or agreed to pay the Premium, the Insurers agree to indemnify the Insured in the manner and to the extent provided herein, subject always to the Limits of Liability, Conditions, Exclusions and other terms of or any Endorsements to this Policy.

The Primary Insurer has issued to the Insured a policy or policies of liability insurance (referred to as “Primary Insurance”).

Subject to the terms contained herein or endorse on this Policy, the Insurers will indemnify the Insured in accordance with the applicable terms, definitions, exclusions, conditions and endorsements of the Primary Insurance with which this Policy shall run concurrently. The Insurers shall only be liable if a claim is covered by, or but for the relevant limit of liability, would have been covered by the Primary Insurance and after the Primary Insurers and any Underlying Excess Insurers (if applicable) have paid or have been held legally liable to pay the respective Underlying Limits under the Primary Insurance and any underlying Excess Insurance (if applicable).

The liability of all of the Insurers collectively will in no case exceed the Limits of Liability stated in the Schedule or elsewhere in this Policy. Furthermore, the liability of each of the Insurers individually will in no case exceed the proportion set against each Insurer’s name below.

Signed for and on behalf of the Insurers:

Insurers	Policy No.	Proportion %	Signature	Date
Liberty Specialty Markets	MECAS21498764	100%	 	4/12/24

## Schedule

**Named Insured:** The Crown in Right of the State of South Australia, Department for Infrastructure and Transport, South Australian Water Corporation, South Australian Housing Authority, Renewal SA and all other Government (State and Local) Departments and Agencies, Commissions, Trusts, Companies, Corporations or other Statutory Bodies (whether as Principal, Project Manager, Adviser, Consultant or Contractor).

This Policy also insures other parties as specified in the definition of Insured.

**Business:** Principally but not limited to government instrumentality responsible for the design, construction, manufacture, testing, commissioning, operation, maintenance and property services in relation to transport infrastructure, buildings, facilities and assets, but excluding activities in respect of any Excluded Contracts or Referral Contracts except as provided by or endorsed onto the Policy.

**Insured Operations:** **Contracts Commenced During the Period of Insurance**

All contracts of any kind or description undertaken by or on behalf of the Named Insured and commenced during the Period of Insurance, however, Referral Contracts are subject to Condition 3.17 of the Policy.

**Insured Services:** The provision of building maintenance and property services in respect of assets for which Government has responsibility, owns or leases within South Australia, including preventative and programmed maintenance, logged and emergency breakdown maintenance, property services including rubbish removal, hygiene, cleaning, bore maintenance, security, grounds maintenance, venue management services, technical services and pest and vermin control.

**Scope of Cover** The Insurers will under this Policy indemnify the Insured against the Insured's legal liability to pay damages or compensation in respect of:

- (a) Personal Injury;
- (b) Property Damage; or
- (c) Advertising Injury,

sustained as a result of an Occurrence within the Territorial Limits in connection with the Business:

- (i) during the Construction Period or Defects Liability Period in respect of the Insured Operations; and/or
- (ii) during the Period of Insurance in respect of the Insured Services; and/or

(iii) during the Period of Insurance in respect of the Insured’s Products and/or Completed Operations

In addition Insurers will pay Defence and Other Costs.

Are those Contract Types listed below where the Insurers will grant interim cover as per Condition 3.17 of the Policy.

**Referral Contracts:** Are those Contract Types listed below where the Insurers will grant interim cover as per Condition 3.17 of the Policy.  
(Condition 3.17)

**Contract Type**

All Contracts \$500,000,000

Other than:

- (a) Tunnels All values
- (b) Airport (Tarmac, Taxi or Runway) All values
- (c) Offshore Work All values
- (d) Dams All values
- (e) Where Original Construction period exceeds 36 months All values

**Excluded Contracts** None

**Period of Insurance:** From: 4:00 p.m. on 31 October 2024

To: 4.00 p.m. on 31 October 2025

All at Local Time

**Defects Liability Period:** 24 months any one Contract in respect of the original Defects Liability Period.

**Territorial Limits:** Anywhere in the world but excluding any operations of the Insured domiciled in the United States of America or Canada. Notwithstanding the above, indemnity is provided in respect of:

1. Products exported into those countries;
2. Directors of the Insured or Employees who are non-resident in such countries;
3. any person or firm engaged in a consultative capacity in such countries.

**Limits of Liability:** Limit in respect of each and every Occurrence \$20,000,000  
 (Condition 3.3) but limited to:  
 \$20,000,000 in the aggregate annually for all Occurrences in respect of Products and/or Completed Operations;  
 in excess of the underlying \$10,000,000 limit of liability

**Underlying Insurance** In excess of the Underlying Primary Policy

Insurer	Policy No	Limit
Swiss Re International SE Australia Branch	P80764.01-02	Limit in respect of each Occurrence \$10m  But limited to: \$10m in the aggregate annually for all Occurrences in respect of Products and/or Completed Operations

<b>Nominee for Insurers' Notices:</b> (Condition 3.7(d))	<b>Nominee</b>	<b>Address</b>	<b>Attention</b>
	SAFA	c/- Aon Risk Services Level 22 91 King William Street Adelaide SA 5000	Joshua Ingall Aon

**Nominee for Legal Service:** As agreed  
 (Condition 3.11(c))

**Agreed Loss Adjuster(s):** Claims under this Policy shall be adjusted with the following company(ies) or as otherwise agreed by the Insured and the Insurers:  
 (Condition 3.14)

- YDR Chartered Loss Adjusters
- Integra Technical Services (Australia) Pty Ltd
- Crawford & Co.

**Policy Wording:** As per Aon Manuscript wording provided.



**Included Referral  
Contracts**

The Insurers agree to provide coverage for the Referral Contracts specified below:

**2024/2025 Period:**

(Condition 3.17)

<b>Agency</b>	<b>Project</b>	<b>Description</b>	<b>Referral Type</b>
SA Housing Authority	Various	Various	Various
Renewal SA - All Projects	Various	Various	Various

## Definitions / Interpretations

The following Definitions/interpretations will apply to this Policy. In the absence of a more specific definition, capitalised terms used in this Policy will take on the meaning in the Underlying Insurance.

**Primary Insurer** is the party or parties named in the Schedule who have issued the Primary Insurance.

**Underlying Excess Insurer** is the party or parties named in the Schedule who have issued any Underlying Excess Insurance.

**Insured** includes each of the following:

- (a) the Named Insured stated in the Schedule;
- (b) all other companies, parties and persons designated as “the Insured” in the Primary Insurance to the extent defined therein.

**Underlying Insurance** means the Primary Insurance and Underlying Excess Insurance (if any).

### Singular/Plural

In this Policy, where the context admits, words denoting the singular shall include the plural and vice versa.

### Headings

Headings have been included for ease of reference. The terms and conditions of this Policy are not to be construed or interpreted by reference to such headings.

## Conditions

### 1.1 Maintenance of Primary and Underlying Excess Insurance

The Primary Insurance and any Underlying Excess Insurance (if applicable) shall be maintained in full effect during the currency of this Policy except for any reduction of the limits contained therein by payment of any claims. The failure of the Insured to comply with the foregoing shall not invalidate this Policy, but in the event of such failure, the Insurers shall only be liable to the same extent as if the Insured had complied with this Condition.

### 1.2 Following Cover of Primary Insurance

This Policy is subject to the same terms, definitions, conditions and exclusions (except as regards the Limits of Liability, the Premium, any agreement to renew or as specifically provided for herein) as are contained in or as may be added to the Primary Insurance prior to the happening of an occurrence for which a claim is made hereunder.

The Liability of the Insurers to pay damages or compensation under this Policy as a result of each occurrence or all occurrences of a series consequent on or attributable to one source or original cause happening in connection with the Insured Operations shall not exceed the Limits of Liability stated in the Schedule.

If an amount is specified in the Schedule against Products in the Limit of Liability, the total liability of the Insurers for all claims arising out of Products shall not exceed such amount in the aggregate during the Period of Insurance.

In respect of any additional Primary Insurance policy covering Contracts which fall outside of the scope of the Named Insured's Primary Insurance specified in the Schedule, the indemnity by this Policy shall be subject to the same terms, definitions, conditions and exclusions (except as regards the Limits of Liability and the Premium) in accordance with the Primary Insurance specified in the Schedule, until such additional Primary Insurance has been formally agreed by the Insurers and endorsed onto this Policy.

### 1.3 Claims Condition

The Insured shall immediately advise the Insurers of any occurrence or circumstances of which the Insured becomes aware which is likely to give rise to a claim under this Policy. The Insurers shall not, however, be called upon to assume conduct of the settlement or defence of any claim made, or suits brought, or proceedings instituted against the Insured, but shall have the right and opportunity to be associated with the Insured in the defence and trial of any such claims, suits or proceedings relative to any occurrence, which, in the opinion of the Insurers may create liability on the part of the Insurers under the terms of this Policy. If the Insurers avail themselves of such right and opportunity, the Insured and the Insurers shall co-operate in all respects so as to effect a final determination of the claim or claims.

#### 1.4 **Costs**

In the event of a loss arising to which the Insurers may be liable to contribute, no legal costs shall be incurred on their behalf without their consent being first obtained. Upon the Insurers giving such consent, the Insurers shall contribute to the legal costs in the proportion that their share of the final settled loss bears to the total sum payable. If however, a settlement of the loss is practicable prior to taking the case into court, whether by compromise or otherwise, for a sum not exceeding the Underlying Limits, no legal costs shall be payable by the Insurers.

#### 1.5 **Settlement of Losses**

The Insured agrees not to settle a loss for a sum in excess of the Underlying Limits without the consent of the Insurers.

This Policy shall not cover any expenses or costs that are recoverable under the Underlying Insurance.

#### 1.6 **Exhaustion of Underlying Aggregate Limit**

In the event of the exhaustion of any aggregate limit whether partial or total of the Underlying Insurance by reason of a loss paid thereunder this Policy shall:

- (a) in the event of partial exhaustion, pay in excess of the reduced Underlying Insurance;
- (b) in the event of total exhaustion, continue in force as the Underlying Insurance subject to the terms conditions exclusions and endorsements of the Primary Insurance.

#### 1.7 **Premium Adjustment**

Where the Premium is designated in the Schedule as being adjustable, the Named Insured shall keep accurate records and make declarations to the Insurers in respect of the Premium variables to enable adjustment of the Premium.

#### 1.8 **Cancellation**

- (a) By The Insurers:

The Insurers may cancel this Policy for any of the reasons set forth in Section 60 of the Commonwealth Insurance Contracts Act 1984 by serving on the Named Insured sixty (60) days notice in accordance with Section 59 of that Act.

- (b) By The Named Insured:

The Named Insured (on behalf of itself and all other Insureds unless otherwise specified) may cancel this Policy, any cover in respect of any Contract by giving notice in writing to the Insurers.

- (c) Run-off Cover:

Notwithstanding the Period of Insurance, in the event of cancellation by either the Insurers or the Named Insured or non-renewal of this Policy, the insurance by this Policy shall continue for each Contract until:

- (i) expiration of the Construction Period and Defects Liability Period; or
- (ii) the Named Insured formally advises the Insurers that the Contracts have been insured elsewhere;

whichever occurs first.

(d) Premium Adjustment

Upon cancellation by either party, the Named Insured will be entitled to a pro-rata refund of the Premium as at the date of cancellation.

### 1.9 Application of Recovered Funds

As that this Policy provides coverage in excess of the Underlying Insurance, the Insured's rights of recovery against any person or other entity cannot always be exclusively subrogated to the Insurers. In case of the payment of a claim under this Policy, the Insurers will act in concert with all other interested parties (including the Insured) in exercising such rights of recovery. Any amount recovered shall be apportioned in the following order:

- (a) firstly any interests, including the Insured's, that have paid an amount over and above any payment under this Policy;
- (b) secondly the Insurers of this Policy;
- (c) thirdly the interests, including the Insured's, of whom this coverage operates in excess;
- (d) expenses for the recovery of such amounts shall be apportioned between the interests, including the Insured's, in the ratio of their respective recoveries.

### 1.10 Jurisdiction and Service of Proceedings

The Insurers agree that:

- (a) this Policy is governed by the laws of Australia;
1. in the event of a dispute arising under this Policy, Insurers at the request of the Insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court;
  2. any summons notice or process to be served upon the Insurers may be served upon the Nominee For Legal Service stated in the Schedule. Such Nominee has authority to

accept service and to enter an appearance on the Insurers' behalf. If directed by the Insured the Nominee shall give a written undertaking that the Nominee will enter an appearance on the Insurers' behalf;

3. if proceedings are instituted against any one of the Insurers, all Insurers hereon will abide by the decision of such Court or any competent Appellate Court.

#### 1.11 Notices

- (a) Any notice(s) required by the Conditions of this Policy to be given to the Insurers shall be given by the Insured through any office of their insurance broker, Aon Risk Services Australia Limited (Aon) or direct to the Insurers. Any notice(s) given to any office of the appointed broker constitutes notice upon Insurers.
- (b) Any notice(s) given by the Insurers to any party insured under this Policy shall also be given to all other named parties.
- (c) Any notice of claim given to the Insurers by any party insured under this Policy shall be accepted by the Insurers as a notice of claim given on behalf of all other parties insured under this Policy.
- (d) If a Nominee for Insurers' Notices is stated in the Schedule, the Insurers agree to provide 30 business days prior notice to such Nominee in the event of:
  - (i) cancellation or expiry of this Policy before completion of the Construction Period and Defects Liability Period due to non payment of Premium or any other cause;
  - (ii) the Insurers giving any notice under this Policy.

#### 1.12 Referral Contracts

Referral Contracts specified in the Schedule, will be held covered by the Insurers for a period not exceeding 3 months from the commencement of the Referral Contract's Construction Period (such period referred to as the "Interim Cover Period"), and thereafter will be covered subject to agreement by the Insurers.

The Named Insured shall provide to the Insurers, as soon as practicable, full particulars of the Referral Contracts, including the nature and methods of construction, contract drawings and other contract documents.

Referral Contracts appearing in the Schedule shall be automatically covered if specified as an Included Referral Contract in the Schedule, subject to any agreed alteration in this Policy's, premium or other terms.

In the event that such terms and conditions are not acceptable to the Named Insured, the Named Insured shall be under no obligation to declare these Contracts to the Insurers after the Interim Cover Period. In the event of the Named Insured electing not to continue cover for a

Contract after the Interim Cover Period, the Named Insured is obliged to declare the expended Project Value for such Contract in its declaration to the Insurers under clause 1.7.

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