



**LIBERTY INTERNATIONAL UNDERWRITERS**  
(a member company of Liberty Mutual Insurance Group)

**PROJECT SPECIFIC CONSTRUCTION LIABILITY**

In consideration of the premium being paid by the Insured to Liberty International Underwriters (hereinafter called LIU) and in reliance upon the written statements and declarations contained in the proposal or insurance broker's quotation submission, LIU agrees to indemnify the Insured in accordance with the attached Schedule, Policy wording and endorsements (where applicable).



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**Project Specific Construction Liability Policy**

**1 Insuring Clause**

1.1 Construction Liability

Subject to the terms of this Policy, Liberty International Underwriters (hereinafter called LIU) will pay to or on behalf of the Insured all sums which the Insured shall become legally liable to pay by way of compensation in respect of Injury and/or Damage first happening during the Construction Period as a result of an Occurrence at the Site Location in connection with the Insured Project.

1.2 Maintenance / Defects Liability

Subject to the terms of this Policy, LIU will pay to or on behalf of the Insured all sums which the Insured shall become legally liable to pay by way of compensation in respect of Injury and/or Damage first happening during the Maintenance / Defects Liability Period as a result of an Occurrence at the Site Location in connection with the Insured Project arising out of and in the course of Maintenance / Defect Work.

**2 Definitions**

2.1 “Asbestos” means:

2.1.1 That group of natural fibrous silicate minerals that comprises Actinolite, Amosite, Anthophyllite, Chrysotile, Crocidolite and Tremolite.

2.1.2 That group of man made mineral fibres that comprises mineral wool, rockwool, glass fibre, ceramic fibres and superfine fibres.

And includes Asbestos products and products containing Asbestos.

- 2.2 “Completed Operations” means contracts or work which have been completed and handed over to the Principal/Owner.
- 2.3 “Damage” means:
- 2.3.1 Physical damage to or destruction of tangible property including all resulting loss of use of that property. All such loss of use shall be deemed to happen at the time of the physical damage that caused it.
- 2.3.2 Loss of use of tangible property that is not physically damaged or destroyed provided such loss of use is caused by physical damage of other tangible property which first happened during the Period of Insurance. All such loss of use shall be deemed to happen at the time of the physical damage or destruction that caused it.
- 2.4 “Employment Practices” means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination (sexual or otherwise) in respect of employment by the Insured.
- 2.5 “Injury” means:
- 2.5.1 Bodily injury, death, sickness, disease, disability, shock, fright, mental anguish and mental injury.
- 2.5.2 False arrest, wrongful detention or imprisonment, malicious prosecution.
- 2.5.3 Wrongful entry or eviction.
- 2.5.4 Libel, slander, defamation of character or invasion of the right of privacy.
- 2.6 “Insured” wherever used in this Policy means the Insured named in the Schedule and
- 2.6.1 Any subsidiary company of the Insured named in the Schedule.
- 2.6.2 Contractors and sub-contractors of the Insured named in the Schedule, but only if the Insured named in the Schedule is obliged under a contract or agreement to effect insurance on behalf of such contractors or subcontractors naming such contractors or subcontractors as Insureds under a policy of public liability insurance and only to the extent required by such contract or agreement and limited to the coverage provided by this Policy.
- 2.6.3 Any director, executive officer or employee of the Insured named in the Schedule whilst acting within the scope of his/her duties with such parties.
- 2.6.4 Any other related entity controlled by the Insured named in the Schedule and over which it assumes active management.
- 2.6.5 Financiers of the Insured Project.
- But only to the extent of their activities involving the Insured Project and their interest therein.

- 2.7 “Insured Project” is the project shown in the Schedule.
- 2.8 “Insured Property” means property of every description having any connection whatsoever with the Insured Project. It shall also include permanent and temporary works or structures, materials and supplies, formwork, falsework, scaffolding, props and the like, principal supplied materials, contract consumables, plans and other documents, construction plant and machinery.
- 2.9 “LIU” means Liberty International Underwriters. Liberty International Underwriters is a trading name of Liberty Mutual Insurance Company (ARBN 086 083 605). Incorporated in Massachusetts, USA (The liability of members is limited).
- 2.10 “Limit of Indemnity” means the amount stated in the Schedule pursuant to Clause 4 of this Policy.
- 2.11 “Maintenance / Defect Work” means operations carried out by the Insured for the purpose of:
- 2.11.1 maintenance of the Insured Project in accordance with their obligations under any maintenance provisions of the contract; or
- 2.11.2 remedying any defects in the Insured Project in accordance with their obligations under any defects rectification provisions of the contract.
- 2.12 “Occurrence” means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Injury and/or Damage neither expected nor intended from the standpoint of the Insured. All events of a series consequent on or attributable to one source or original cause shall be deemed one Occurrence.
- 2.13 “Period of Insurance” is the period shown in the Schedule.
- 2.14 “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 2.15 “Site Location” is the location shown in the Schedule.
- 2.16 “Terrorism” means an act or acts
- 2.16.1 That are violent in nature or are dangerous to human life:
- 2.16.1.1 That are a violation of the criminal laws of the United States of America or Australia or of any State or Territory of the United States of America or Australia or that would be a criminal violation if committed within the jurisdiction of the United States of America or Australia or any State or Territory of the United States of America or Australia; and that have the apparent intent of:

- 2.16.1.1.1 Intimidating or coercing any civilian population;
- 2.16.1.1.2 Influencing the policy of any government by intimidation or coercion; or
- 2.16.1.1.3 Affecting the conduct of any government by mass destruction, assassination, or kidnapping,

Or

2.16.2 That result in:

- 2.16.2.1 The denial of access to or services from web sites, computer networks, or telecommunications equipment; or
- 2.16.2.2 The malfunction or degradation of web sites, computer networks, telecommunications equipment, or mechanical equipment, or that otherwise interrupt the functioning of web sites or such properties

And that have the apparent intent of intimidating or coercing any civilian population or influencing the policy of any government by intimidation or coercion.

- 2.17 “Worker” means any person employed by the Insured or deemed to be employed by the Insured whether pursuant to any Workers’ Compensation Law or otherwise.
- 2.18 “Workers’ Compensation Law” means any law relating to compensation for Injury to Workers or employees.

### **3 Cross Liabilities**

Subject at all times to the terms of this Policy, each person or party indemnified is separately indemnified in respect of claims made by any of them against any other of them provided that LIU’s total liability shall not exceed the Limit of Indemnity for all claims under this Policy.

### **4 Limit of Indemnity**

LIU’s liability to pay compensation pursuant to Clause 1 shall not exceed the sum stated in the Schedule in respect of any one claim or series of claims arising from one Occurrence.

### **5 Defence Costs**

In addition to the Limit of Indemnity, LIU will pay all reasonable legal costs and expenses incurred with LIU’s prior written consent in connection with any claim or potential claim for which the Insured is indemnified by this Policy.

Provided that LIU shall not be liable for legal costs and/or expenses where indemnity is not provided by this Policy.

Provided that LIU shall not be liable for legal costs or other expenses for or in respect of representation at any formal legal inquiry involving an accident resulting in Injury or at any coroner's inquiry or defending any proceedings in a Court of summary jurisdiction.

Provided that LIU shall not pay any legal costs or expenses in respect of any Occurrence after LIU has paid compensation up to the Limit of Indemnity.

## 6 Exclusions

This Policy does not cover liability directly or indirectly caused by, arising out of or in any way connected with:

- 6.1 The ownership, maintenance, operation, possession, use, loading or unloading by or on behalf of the Insured of any motor vehicle or trailer which is required by law to be registered or in respect of which there is required by law to be in force a Policy of compulsory liability insurance or in relation to which there existed a statutory scheme providing compensation for Injury, but this exclusion does not apply to:
  - 6.1.1 Injury for which no indemnity is or would be available to the Insured under the said Policy of compulsory liability insurance had the Insured complied with its obligations pursuant to such law.
  - 6.1.2 Injury caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer for which no indemnity is or would be available to the Insured under the said Policy of compulsory liability insurance had the Insured complied with its obligations pursuant to such law.
  - 6.1.3 Damage caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer.
  - 6.1.4 Damage to any bridge, weighbridge or road, or anything beneath such bridge, weighbridge or road caused by the weight of any motor vehicle or trailer or of the load carried thereon.
  - 6.1.5 Damage to any motor vehicle or trailer (not owned, leased or hired by, under hire purchase, on loan or rented to the Insured) temporarily in the Insured's custody or control for the purpose of parking and directly arising out of such parking.
- 6.2 Damage to property owned, leased, hired by, under hire purchase, on loan or rented to the Insured or otherwise in the Insured's care, custody or control other than hired, borrowed or loaned equipment for the purposes of the Insured Project, provided that LIU's limit of liability under this exclusion does not exceed \$100,000 each and every Occurrence and in the aggregate for any one Period of Insurance.

Provided further that no indemnity is granted under this Policy in respect of liability assumed by the Insured under any contract or agreement which requires the Insured to effect material damage insurance on premises, property or goods not owned by the Insured.

- 6.3 Completed Operations.
- 6.4 Liabilities assumed under the terms of a contract, agreement or warranty unless the Insured would have been liable in the absence of such contract, agreement or warranty.
- 6.5 Liabilities assumed where the Insured may have been able to recover from another party(ies) but for an agreement between the Insured and such party(ies) where the Insured has waived, released or abandoned any right of recourse or recovery against such other party(ies).
- 6.6 Damage to Insured Property.
- 6.7 Injury to any Worker.

Provided that if the Insured:

- 6.7.1 Is required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited in amount or not) for such Injury; or
- 6.7.2 Is not required to so insure or otherwise fund such liability by reason only that the Injury is to a person who is not a Worker or “employee” within the meaning of the relevant Workers’ Compensation Law or the Injury is not an Injury which is subject to such Law;

then this Policy will respond to the extent that the Insured’s liability would not be covered under any such fund, scheme, Policy of insurance or self insurance arrangement had the Insured complied with its obligations pursuant to such Law.

- 6.8
  - 6.8.1 Any Workers’ Compensation Law;
  - 6.8.2 The provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination;
  - 6.8.3 Employment Practices.
- 6.9 The loss of use of tangible property which has not been physically damaged or destroyed resulting from a delay in or lack of performance by or on behalf of the Insured of any contract or agreement.
- 6.10
  - 6.10.1 The rendering of or failure to render professional advice or service by the Insured or any error or omission connected therewith;

6.10.2 Advice, design, formula or specification given by or on behalf of the Insured.

Provided that this exclusion does not apply to the rendering of first aid or medical services on the Insured's premises by medical persons employed by the Insured.

- 6.11 6.11.1 The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants, provided always that Exclusion 6.11.1 shall not apply to liability which is directly caused by a sudden, accidental, instantaneous, unintended, identifiable and unexpected happening which takes place in its entirety at a specific time and place;
- 6.11.2 Any expenses for the prevention of the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants;
- 6.11.3 Testing, monitoring, clean up, removal, containment, treatment, detoxifying or neutralising of Pollutants or their effect;
- 6.11.4 The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants caused by any product that has been discarded, dumped, abandoned or thrown away by others.

The total aggregate liability of LIU for all claims covered in any one Period of Insurance in respect of the proviso in Exclusion 6.11.1 shall not exceed the Limit of Indemnity shown in the Schedule.

- 6.12 6.12.1 Ionising radiations or contamination from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Combustion shall include any self sustaining process of nuclear fission or fusion;
- 6.12.2 Nuclear weapons material.
- 6.13 Ownership, maintenance, operation, possession or use by or on behalf of the Insured of any aircraft, aerial device, watercraft or hovercraft.
- 6.14 The Deductible / Self-Insured Retention shown in the Schedule.
- 6.15 Asbestos.
- 6.16 6.16.1 Claims made and actions instituted within the United States of America, the Dominion of Canada, their respective territories and protectorates and any other territory coming within the jurisdiction of the courts of the United States of America or the Dominion of Canada;
- 6.16.2 Claims and actions to which the laws of the United States of America, the Dominion of Canada and their respective territories and protectorates apply.
- 6.17 Fines, penalties, punitive damages, exemplary damages, liquidated damages and/or aggravated damages.
- 6.18 Any alleged or actual fraudulent, dishonest, malicious, wilful or criminal act or omission of the Insured.

- 6.19 The utterance of libel and/ or slander or the publication of any libellous, slanderous or defamatory material:
  - 6.19.1 Made prior to the commencement of the Period of Insurance; or
  - 6.19.2 Made at the Insured's direction or with the Insured's authority or with knowledge of its falsity; or
  - 6.19.3 Related to advertising, broadcasting, telecasting or publishing activities conducted by or on behalf of the Insured.
  
- 6.20 Damage to underground services (such as but not limited to water, gas, sewage, fuel and electricity) or any underground property or structure for the purpose of storing, conveying, transporting, transmitting or delivering electricity, water, gas, fuel, telecommunications media, signals, radio and other waves, unless prior to the commencement of any work, the Insured has inquired with the relevant authorities or owners of such services, property or structures as to the exact location of such services, property or structures and takes all precautions to avoid such services, property or structures.
  
- 6.21 The cost of performing, completing, restoring, repairing, replacing, rectifying or improving any part or parts of the Insured Project.
  
- 6.22 The use of any electric, oxy-acetylene or similar welding or cutting equipment and allied processes by or on behalf of the Insured unless such welding or cutting was done in full compliance with Australian Standard 1674 "Safety in Welding and Allied Processes."
  
- 6.23 And regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
  - 6.23.1 War and military action which includes without limitation the following:
    - 6.23.1.1 War, including undeclared or civil war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government or public or local authority;
    - 6.23.1.2 Warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
    - 6.23.1.3 Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
  - 6.23.2 Any actual or threatened act of domestic or international Terrorism committed by a person or persons acting:
    - 6.23.2.1 Alone or on behalf of or in connection with any organisation; or

6.23.2.2 With the goal of furthering any political, social, religious, ideological or similar objective.

6.23.3 Action taken to prevent or defend against an act of Terrorism.

If an act of Terrorism involves chemical or biological weapons, this Terrorism exclusion will still apply.

If an act of Terrorism involves nuclear reaction, nuclear radiation, or radioactive contamination, this Terrorism exclusion will apply to liabilities that result from such nuclear reaction or radiation or radioactive contamination in place of Exclusion 6.12.

- 6.24 6.24.1 Any actual, alleged or threatened inhalation, discharge, dispersal, seepage, migration, absorption, release, exposure to, or escape of any mould, mildew or fungus in any form from any source, at any time;
- 6.24.2 The prevention of the actual, alleged or threatened inhalation, discharge, dispersal, seepage, migration, absorption, release, exposure to, or escape of any mould, mildew or fungus in any form from any source; or
- 6.24.3 Any testing, monitoring, clean up, removal, containment, treatment, disposal, detoxifying or neutralizing or in any way responding to or assessing the effects of mould, mildew or fungus in any form from any source, at any time.

## 7 General Conditions

- 7.1 The Insured shall give written notice to LIU as soon as possible after any Occurrence that may give rise to a claim under this Policy and shall give all such additional information as LIU may require. Every letter, claim, writ, summons or process shall be forwarded to LIU immediately it is received.
- 7.2 No admission, offer, promise, or payment shall be made or given by or on behalf of the Insured without the prior written consent of LIU who shall be entitled to take over the conduct in the name of the Insured of the defence or settlement of any claim or to prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as LIU shall require.
- 7.3 This Policy, the Schedule and any endorsements attached to this Policy shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy, the Schedule and endorsements shall bear such specific meaning wherever it may appear.
- 7.4 The amount shown within the Schedule as a Deductible / Self-Insured Retention is the first amount for all claims arising out of any one Occurrence which is to be borne by the Insured.

- 7.5 LIU may at any time discharge its total liability to the Insured in respect of any one claim or series of claims arising from one Occurrence by paying to or on behalf of the Insured:
- 7.5.1 The total amount in respect of the said claim or claims to which the Insured is entitled to indemnity under this Policy, or
  - 7.5.2 The total amount sought by the claimant(s) in the said claim or claims, or
  - 7.5.3 The total amount for which the said claim or claims can be settled,
- and in addition to such payment LIU will pay Defence Costs incurred up to the date of the said payment as provided for by Clause 5 of this Policy.
- Upon such payment, LIU shall relinquish conduct or control of such claims and be under no further liability under this Policy in connection with such claim or claims.
- 7.6 This Policy shall be interpreted in accordance with the laws of Australia.
- 7.7 The Insured must:
- 7.7.1 Exercise reasonable care that only competent Workers and/or employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition;
  - 7.7.2 Take all reasonable precautions to:
    - 7.7.2.1 Prevent Injury and Damage;
    - 7.7.2.2 Prevent the manufacture, sale or supply of defective Products;
    - 7.7.2.3 Comply, and ensure that its Workers, servants and agents comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property;
- The amount of any benefit under this Policy for any liability arising from Injury and/or Damage caused or contributed to by the lack of such precautions, measures and compliances shall be reduced by the amount that fairly represents the extent to which LIU's interests have been prejudiced thereby.
- 7.8 Where the premium is provisionally based on the Insured's estimates, the Insured shall keep accurate records and after expiry of the Period of Insurance declare as soon as possible such details as LIU requires and the premium shall be adjusted and any difference paid by or allowed to the Insured as the case may be subject to any minimum premium that may apply.
- 7.9 The Insured may cancel this Policy at any time by giving notice in writing to LIU.
- 7.10 LIU may cancel this Policy at any time where:

- 7.10.1 It is entitled to do so pursuant to the *Insurance Contracts Act 1984* or any amendments thereto.
- 7.10.2 The Insured has failed to notify LIU of any specific act or omission where such notification is required under the terms or conditions of this Policy.
- 7.10.3 The Insured has acted in contravention of or omitted to act in compliance with any term of this Policy which empowers LIU to refuse to pay a claim in the event of such contravention or omission.

Any notice of cancellation given by LIU shall take effect either at the time when another contract of insurance between the Insured and LIU or some other insurer (being a contract that is intended by the Insured to replace this Policy) is entered into or at 4pm on the third business day after the date on which notice was given to the Insured by LIU (whichever is the earlier).

- 7.11 Where the Insured comprises more than one person or company, it is agreed that the named Insured referred to in the Schedule shall be the agent of each of the other Insured persons or companies or others indemnified by Clause 3 for the purposes of receiving any notice of cancellation pursuant to this Clause, or any other notice, statement, document or information relating to this insurance Policy. Where the Insured has an insurance broker, nothing in this paragraph shall restrict LIU's right to notify the broker as agent of the Insured.
- 7.12 Where this Policy provides any indemnity to the Insured which is prohibited by law, this Policy shall be varied by operation of this Clause so that this Policy does not respond to the extent that the indemnity is prohibited by law.

Signed on behalf of Liberty International Underwriters  
on the date stated in the Schedule

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Authorised

N. MacCarthy  
Senior Vice President, Casualty – Asia Pacific