

## **CONTRACT WORKS AND LEGAL LIABILITY INSURANCE RATES 2018–19**

- The Principal has arranged a Contract Works and Legal Liability insurance policy to cover all civil and civic construction works with a contract value of up to \$20 000 000, that do not fall within the works excluded under the policy<sup>1</sup> or special limitations that apply to the policy<sup>2</sup>.
- The Policy is with Key Underwriting Pty Ltd (acting on behalf of QBE (Australia) Limited), and the policy number is MKIBU 18100 CAR.
- The Policy may be viewed at the Department of Treasury and Finance, Procurement and Property Branch, 21 Murray Street, Hobart.
- The Contractor shall allow for the insurance premium and any related costs in the Contract Sum.
- The Contractor will pay the insurance premium within 14 days of being invoiced that amount by the insurer or insurance broker.
- Failure by the Contractor to pay the premium will result in the Principal maintaining the policy. The premiums so paid as well as any incurred expenses in undertaking this additional work shall be a debt due from the Contractor to the Principal.
- If the Contractor considers that the insurance cover arranged by the Principal is not sufficient to cover the Contractor's liabilities, then the Contractor shall take out and pay for additional insurance, as it considers necessary.
- The premium rates for each \$10 000 of the Contract Sum are:
  - \$26.75 for all Civic Works projects; and
  - \$49.05 for all Civil Works projects.
- The Terrorism Insurance Act (TIA) Levy, Fire Service Levy, Stamp Duty and GST are included in the rates.

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<sup>1</sup> The following works are excluded under the Contract Works and Legal Liability insurance policy:

- Works involving Flood Mitigation works, Weirs, Tunnels, Shafts, Jetties, Wharves and Works under or over or in water;
- Dam Construction and maintenance Contracts; and
- Demolition only contracts.

These contracts will be referred to the insurance market by the Principal's insurance broker to determine appropriate terms and a premium rate.

<sup>2</sup> The Contract Works and Legal Liability insurance policy has the following special limitations in respect to:

- Incomplete Trenches                      Maximum 500 metres
- Incomplete Retentions                  Maximum 250 metres
- Unsealed Roadworks                      Maximum 2 000 metres

The following deductibles as quoted in the Contract Works and Legal Liability insurance policy are the responsibility of, and will be paid by, the Contractor:

<b>Contract Works (Material Damage)</b>		<b>Deductibles</b>
<b>Civic</b>	Contract Values not exceeding \$20 000 000	\$1 000
<b>Civil</b>	Contract Values not exceeding \$10 000 000	\$15 000
	Contract Values \$10 000 001 to \$20 000 000	\$25 000
<b>Civic/Civil Works – Legal Liability</b>		<b>Deductibles</b>
All claims (excluding injury to worker claims)		\$2 500
Injury to worker claims		\$10 000