

Principal-nominated insurance – *Information for building construction contractors*

What is Principal-nominated insurance?

Principal-nominated insurance is an insurance policy that has been arranged by the Principal (the Department of Treasury and Finance on behalf of the Crown) which a contractor is required to use when undertaking contract works on behalf of the Tasmanian Government. The policy covers both contract works and public liability.

The policy will insure all agreed contractors and subcontractors involved in the contract works. It is not necessary for you to arrange any separate contract works and public liability insurances for such works although you may effect any increased cover which you consider relevant to your operations.

When is Principal-nominated insurance required?

Use of the Principal-nominated insurance is required for all Government building and construction works contracts valued at \$250 000 or over.

Use of the insurance is also required for all Government building and construction works contracts valued between \$50 000 and \$250 000, unless a risk assessment undertaken by the tendering agency indicates that the use of the policy is not warranted.

Why does the Government require Principal-nominated insurance?

The price of insurance and scope of coverage available from insurance providers is variable. The requirement for contractors to effect insurance through the nominated insurance broker ensures that insurance cover is on terms known and satisfactory

to the Government and provides a 'level playing' field for all contractors in terms of the cost and quality of insurance provided.

The premium payable provides a cost effective approach for contractors in relation to the works to be undertaken. The rates can be obtained from the tendering agency.

What do I, as the contractor, have to do?

The agency that engages you will contact the Government's insurance broker to arrange the insurance. As the contractor you will be required to pay the premium. Work should not commence until the insurance is in place.

You must notify the broker immediately of any accident or circumstance which might give rise to a third-party liability claim and you will need to make claims direct to the broker and be responsible for meeting any "excesses" under the policy.

Who is the Government's broker?

The Government's insurance broker is:

Jardine Lloyd Thompson (JLT)
Level 3, 2-8 Kirksway Place
BATTERY POINT TAS 7004
Telephone 03 6220 7402

If required, a brief summary of the policy and premium payable can be provided by JLT.

Can I get a copy of the Policy?

Yes. A copy of the Principal-nominated insurance policy is available from:

Contracts Officer
Procurement and Property Branch
21 Murray Street
HOBART TAS 7000
Telephone 03 6166 4220
Email prequalified@treasury.tas.gov.au

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