

Explanatory Notes

Contract Works & Construction Liability

Express Assess Annual Cover Quotation Slip



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Information detailed below is designed to assist in the accurate completion of the Express Assess quotation form. Certain risks will be more complicated and will require additional information. In these circumstances a Vero Construction & Engineering underwriter will be in touch to review additional requirements.

(A) Details of person(s) proposed for insurance

Advise by completing in the relevant section of the quotation form full details of the following parties:-

Name of policy holder – this is essentially your client or the entity that is taking out the insurance cover and could be either the Developer, Home owner, Head Contractor or the Project Manager.

Name of Principal – only if different from the policyholder, e.g. if the head contractor is the insured, the homeowner or developer will be the principal.

Name of Head Contractor – this is the main building contractor on the project. Please note you must also provide that builder's licence number and licence type along with their building association, e.g. HIA or MBA.

A complete definition of the person's insured under the policy can be found in the Vero policy wording.

Note: It is a requirement that **three years** claims experience be provided for both the principal and the head contractor. It is also a requirement to supply the name of the current insurer.

This insurance is a construction liability cover only, if the insured is involved in any non-building construction activity please nominate under section A9. These non-building construction activities will require a broadform public and products liability cover.

(B) Project Details

1. Site name or location reference

Should be shown as *Anywhere in Australia*.

2. Type of project

Choose the appropriate type of projects to be insured from below:-

- ▼ Builders Residential Contract Works – Material Damage Only.
- ▼ Builders Residential Contract Works – Material Damage & Liability.
- ▼ Property Owner/Developer Residential – Material Damage Only.
- ▼ Property Owner/Developer Residential – Material Damage & Liability.
- ▼ Builders Commercial Contract Works – Material Damage Only.
- ▼ Builders Commercial Contract Works – Material Damage & Liability.
- ▼ Property Owner/Developer Commercial – Material Damage Only.
- ▼ Property Owner/Developer Commercial – Material Damage & Liability.
- ▼ Tradesmen/Contractor Residential – Material Damage Only.
- ▼ Tradesmen/Contractor Residential – Material Damage & Liability.
- ▼ Tradesmen/Contractor Commercial – Material Damage Only.
- ▼ Tradesmen/Contractor Commercial – Material Damage & Liability.
- ▼ Industrial Construction/Erection Works.

Note that erection type covers, e.g. installation of plant and machinery cannot be quoted via the Express Assess system.

3. Building owner status

Select the appropriate description from below:-

- ▼ Work Performed by Licensed Builder Who is NOT the Ultimate Owner.
- ▼ Work Performed by Licensed Building For Own Home.
- ▼ Work Partly or Totally Performed by Owner Builder.

Note: annual covers will only be available for work performed by a licensed builder who is not the ultimate owner.

4. Contract value

Required to select a maximum limit any one contract including engineering, architectural and site preparation costs but excluding the sub-limits mentioned in Section (C), paragraphs 1, 3, 4, 5, 6, 7, 8 & 9.

5. Type of building work

Select the appropriate description from below:-

- ▼ Annual Policy for New Building.
- ▼ Annual Policy for Building Extension.
- ▼ Annual Policy for Building Refurbishment Work.
- ▼ Annual Policy for New Building & Extension.
- ▼ Annual Policy for New Building & Refurbishment Work.
- ▼ Annual Policy for Extension & Refurbishment.
- ▼ Annual Policy for New Building, Extension & Refurbishment Work.

6. Annual policy basis

Select between:-

- (A) Annual Declaration – run-off basis
- (B) Annual Declaration – transfer basis.

The above options are defined below for assistance in selecting the appropriate option for the Client.

Run-off basis: Cover shall continue for all contract works commenced prior to the date of cancellation or non-renewal until expiry of maintenance period, subject to payment of any additional premium and statutory charges.

Transfer basis: All instances of loss or damage shall occur between the calendar dates specified in the schedule.

Note: either option will require an annual declaration:-

- (a) Detailing (\$) value of all work commenced during the period of insurance.
- (b) Detailing actual (\$) value of all work completed during the period of insurance.

7. Location and estimated annual contract value

It is requirement to split the estimated turnover by State of risk, i.e. where the building sites are located. This will enable accurate calculation of government charges attaching to the deposit premium, which vary, by State or Territory.

8. Topical cyclone hazard

Select if appropriate description of where work is undertaken, note that if majority of work is outside Cyclone districts select description (3) and declare specified projects that fall into categories (1) and (2).

- ▼ (1) Possible Sites North of Maryborough (Qld) & Carnarvon (WA) – Coastal 50 km.
- ▼ (2) Possible Sites North of Maryborough (Qld) & Carnarvon (WA) – Coastal 50-200 km.
- ▼ (3) Other Possible Sites – Coastal or Inland.

9. Building height (floors)

Choose one of below options:-

(Note: we will require additional information for buildings above (3) storeys.)

- ▼ All Buildings No Higher than Three (3) Storeys of Useable/Habitable Floor Space.
- ▼ Some or All Buildings Above Three (3) Storeys of Useable/Habitable Floor Space.

10. Basement floors

Choose one of the below options:-

(We will require additional information for buildings with one or more habitable/useable basements.)

- ▼ All Buildings Without Useable/Habitable Basement Floor Space.
- ▼ Some or All Buildings With One or More Useable/Habitable Basements.

11. Contract period

Whilst the contract term is 12 months, this policy can cover all projects up to a maximum time length of 18 months. Any projects which are expected to have a duration in excess of 18 months should be submitted on a single project application form.

12. Maintenance period

Automatic cover will be granted for a 3-month maintenance period (if a longer period is required please nominate applicable terms and a rate loading will apply).

(C) Cover details

Note that questions 1, 3, 4, 5, 6, 7, 8, 9 & 10 require indication as to whether the optional cover is required and, if so, a sum insured must be stated.

1. Plant & Equipment cover

Select the appropriate description from below:-

- ▼ No Plant & Equipment Cover Required.
- ▼ Tools of Trade at Site Only.
- ▼ Static Plant & Equipment at Site Only.
- ▼ Unregistered Mobile Plant & Equipment.
- ▼ Registered Mobile Plant & Equipment.

Nominate limit in any one loss as well as overall value of plant and equipment.

2. Display home cover

Display home cover requires its own specified underwriting information. These requests will be referred to the Vero Construction & Engineering underwriter. Please when completing this section select the appropriate description from below:-

- ▼ Vero does not have the Insured's Annual Policy.
- ▼ Some/all display home location are NOT specified.
- ▼ Some/all buildings still require further finishing work.
- ▼ Insured wants to cover carpets, blinds and/or curtains.
- ▼ Some/all homes have partial or no floodlighting.
- ▼ Some/all homes have partial or no backyard fencing.
- ▼ Some/all homes have random or no patrol visits.
- ▼ Some/all homes have partial or no security alarm service.
- ▼ Some/all homes have swimming pools or outdoor spas.
- ▼ No referral nor excluded by the above or having better protection than above.

3. Removal of debris

10% of limit of any one contract is automatic and the maximum.

4. Professional fees

If cover is required for *Professional Fees* a sub-limit will be required and a rate loading will apply. (Maximum 5% of limit any one contract.)

5. Expediting expenses

If cover is required for *Expediting Expenses* a sub limit will be required and a rate loading will apply. (Maximum 5% of limit any one contract.)

6. Loss mitigation expenses

If cover is required for *Loss Mitigation Expenses* a sub limit will be required and a rate loading will apply. (Maximum 5% of limit any one contract.)

7. Materials in storage off-site

If cover is required for *materials stored off site* a sub limit will be required and a rate loading will apply. (Maximum 10% of limit any one contract.)

8. Materials in transit to site

Transit cover is available within Australia for material being transported to the contract site intended for incorporation within the contract works project. Cover is limited to fire, flood, collision and overturning of the conveyance in which they are being transported or by theft or malicious damage.

A sub-limit must be chosen if this cover is required and a rate loading will apply. (Maximum sum insured limit of \$50,000.)

9. Existing Property

Not available under annual covers, specific request for cover would be required with an appropriate additional premium payable on review by underwriter.

10. Legal Liability limit

Select a limit of indemnity. The options available are \$5m, \$10m or \$20m.

(D) Other Referral risks

The below mentioned risks will require individual attention and additional information. Indicate on quote slip risks demonstrating any of the below mentioned characteristics our underwriter will advise what specific information is required to complete quotation.

- ▼ Risks outside the Commonwealth of Australia.
- ▼ Any work involving day labour or voluntary labour (this is a major liability exposure and if you have any doubts please refer your Vero underwriter).
- ▼ Any contract involving use of explosives or demolition.
- ▼ Civil works other than site preparation for single buildings.
- ▼ Any work within 10m of rivers, lakes, sea.
- ▼ Swimming pool contractors.
- ▼ Pole/stilt homes more than 3m above ground level.
- ▼ Any work by builders in liquidation.
- ▼ Use of policy wordings other than Vero.
- ▼ Any refurbishment of schools, hospitals, universities and the like.
- ▼ Run-off legal liability and/or stand alone legal liability policies.
- ▼ Cover for work already commenced before insurance is purchased.
- ▼ Any work involving weakening of neighbouring structures.
- ▼ Any work involving weakening or removal of structural supports.
- ▼ Any work involving dewatering and/or piling other than house stumps less than 2m.
- ▼ None of the above referred risk restrictions apply.

(E) Deductibles (each and every loss)

Material Damage Deductible

The minimum and default deductible will be \$500, higher deductibles will reduce the rate and should be nominated where required. Certain risks due to their nature will require higher deductibles.

Liability Deductible

The minimum and default deductible will be \$500, higher deductibles will reduce the rate and should be nominated where required. Certain risks due to their nature will be required to have higher deductibles.

(F) Contract Works rates

This section with regard to premium rate will be completed by the Vero underwriter.

A separate rate will be given for both contract works material damage and liability covers expressed as both \$ and % before government charges. Broker will need to nominate the level of commission required, if no commission is nominated we will default to 15%.

(G) Contractors' tools plant and equipment rates

This section with regard to premium rate will be completed by the Vero underwriter.

A separate rate will be given for contractors' plant and equipment where this cover has been requested.

Broker will need to nominate the level of commission required, if no commission is nominated we will default to 15%.

(H) Policy Wordings

The policy wording is Vero Insurance Limited's contract works and legal liability policy with Terrorism, GST and E-Risk endorsements. Other endorsements will also apply.

A copy of the policy wording and endorsements can be obtained off Vero's Construction and Engineering CD-Rom or can be requested from the RCW service centre on 1800 772 729.

(I) Placing Slip

The quotation slip converts into a placing slip on request from the broker. This document, once signed by Vero (unless otherwise advised), will be sufficient for completion of cover when accompanied by a closing (no proposal required).

- ▼ The broker must request confirmation of placement by advising attachment date etc.
- ▼ Once received underwriter will sign off.
- ▼ There is a free type field at the bottom of the quote/placing slip that can be used for additional commentary.

Contact Us

When form is completed, you can send the form to the below fax number.

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