



ace insurance

EXCESS LIABILITY POLICY SCHEDULE AND WORDING

INSURED ORGANISATION: Transgrid and the State
Government of NSW

PERIOD: 1st May 2015 to
1st May 2016

ABOUT ACE AUSTRALIA

ACE Insurance in Australia is a member of the ACE Group of Companies[®], a global leader in insurance and reinsurance serving a diverse group of clients. Headed by ACE Limited (NYSE:ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries and a strong presence in Asia Pacific. Operating in Australia for over 50 years, ACE provides specialised and customised coverages including Marine, Property, Liability, Energy, Professional Indemnity, Directors and Officers, Financial Institutions, Utilities and Accident & Health. ACE delivers this wide range of quality risk management solutions backed by exceptional service to its broad client base. It is a major supplier of insurance protection to many of the country's largest companies.



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EXCESS LIABILITY POLICY SCHEDULE

No.	Title:	Description			
Item 1.	Policy Number	02CE017748			
Item 2.	Issuing Office	Melbourne			
Item 3.	Policy Wording	ACE Excess Liability Policy Wording (AU 12/10)			
Item 4.	Insured Name	TransGrid and the State Government of NSW as Principals/Owners			
Item 5.	Address	C/- Willis Construction Risks			
Item 6.	Business Description	High Voltage Transmission Authority, contractors (mainly electrical, mechanical and civil), designers, consultants, suppliers, project and construction managers, property, plant and equipment owners, operators and hirers, leases, lessors, occupiers and all incidental associated operations trades, activities where TransGrid contracts with other entities and no other for the purposes of this insurance.			
Item 7.	Policy Period	Start:	1 st May 2015		
		Expiry:	1 st May 2016	At 4.00PM local standard time of issuing office	
Item 8.	Limit of Liability	AUD 50,000,000	Any one Occurrence or as otherwise stated in the Policy Wording		
Item 9.	Premium	As agreed			
Item 10.	Underlying Policies	Insurer	Policy Number	Policy Type	Limit of Liability
		AIG	3000012883	Third Party Liability	AUD 20,000,000
		Liberty	SY-CAS-14-418002A	Excess TPL	AUD 30,000,000

This Policy and Schedule have been signed on behalf of ACE Insurance Limited at MELBOURNE this 29th day of July 2015.



Underwriter



EXCESS LIABILITY POLICY WORDING

INTRODUCTION

In consideration of the premium being paid by the Insured to ACE Insurance Limited (**ACE**) and in reliance upon the written statements and declarations provided by or on behalf of the Insured, **ACE** agrees to indemnify the Insured in accordance with this **Policy**.

The documents comprising this **Policy** are to be read together and any word or expression that is defined has that meaning throughout this **Policy**. All defined words and expressions are capitalised.

IMPORTANT INFORMATION

Please refer to Attachment 1 which sets out important information concerning:

- Your **Duty to Disclose**;
- The consequences of **Non-Disclosure**;
- What to do if you become aware of any changes to your normal business or any **Change in Risk or Circumstances**,
- **Subrogation** and the consequences of waiving your rights to recover loss or damage or to seek contribution from a person or entity who would otherwise be liable to compensate you for or contribute towards any loss or damage which is covered under the **Policy**; and
- **ACE's Privacy Statement**.



1. INSURING AGREEMENT

Subject to the terms, exclusions, definitions, conditions and limitations of this **Policy ACE** will indemnify the Insured, in accordance with the applicable terms, exclusions, conditions and endorsements of the **Underlying Insurance**, for:

1.1 Coverage

All sums which the Insured shall become legally liable to pay as **Compensation** in excess of the **Underlying Insurance** stated under Item 10 of the **Policy Schedule**, subject to:

- (a) indemnity having been granted by the insurer of the **Underlying Insurance**; and
- (b) the limit(s) of the **Underlying Insurance** having been fully exhausted.

1.2 Limits of Liability

ACE's liability in respect of any occurrence or all occurrences of a series consequent on or attributable to one source or original cause will not exceed the sum stated in Item 8 of the **Schedule**.

ACE's aggregate liability for all occurrences arising out of the Insured's products will also not exceed the sum stated in Item 8 of the **Schedule**.

ACE's liability under this **Policy** does not increase if there is more than one Insured or if the **Underlying Insurance** comprises more than one insurance policy.

In the event the aggregate limit(s) of liability of the **Underlying Insurance** are reduced or exhausted solely as a result of injury, loss or damage occurring during the **Policy Period**, **ACE** will continue to indemnify the Insured for the remainder of the **Policy Period** in excess of the reduced or exhausted limit(s) subject to the terms and conditions of this **Policy** and **ACE's** limit of liability, but not for broader coverage than that provided by the reduced or exhausted **Underlying Insurance**.

1.3 Defence Costs and Expenses

In addition to **ACE's** liability to indemnify the Insured under this **Policy**, **ACE** will pay:

- (a) all reasonable legal costs and expenses incurred by the Insured with the written agreement of **ACE**, and
- (b) all defence costs incurred by **ACE**.
- (c) **ACE** is not obliged to pay any defence costs or expenses or to defend any suit after **ACE's** liability under this **Policy** to indemnify the Insured has been exhausted.
- (d) If a payment exceeding **ACE's** liability under this **Policy** to indemnify the Insured has to be made to dispose of a claim, the liability of **ACE** for defence costs and expenses is limited to the proportion that **ACE's** liability to indemnify the Insured under this **Policy** bears to that payment.
- (e) In the event of a claim being made against the Insured in any Court or before any other legally constituted body in the United States of America, Canada or their respective protectorates and territories, the total amount payable in respect of the claim by **ACE**



under this **Policy** including defence costs and expenses will not exceed the limit of liability stated in Item 8 of the **Schedule**.

- (f) **ACE** will not be liable for defence costs and expenses which are covered by any **Underlying Insurance**.
- (g) The liability of **ACE** for defence costs and expenses is limited to the proportion that **ACE's** liability to indemnify the Insured under this **Policy** bears to the total amount payable.

2. EXCLUSIONS

This **Policy** does not cover any legal liability arising out of or in any way connected with the following:

- 2.1 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means.
- 2.2 ionising radiation or contamination by radioactivity from any nuclear fuel, weapon, medical isotope, waste or other material whether occurring naturally or otherwise; the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof.
- 2.3 asbestos or materials containing asbestos.
- 2.4 any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss or any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**.
- 2.5 fines, penalties, punitive, exemplary, liquidated or aggravated damages.
- 2.6 any indemnity, liability, injury, loss or damage which is the subject of a sub-limit under any **Underlying Policy**.

3. DEFINITIONS

Wherever appearing in this **Policy**, the following definitions apply:

3.1 **ACE** means

ACE Insurance Limited (ABN 23 001 642 020) AFS Licence No. 239687.

3.2 **Act of Terrorism** means

Any act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.



3.3 **Compensation** means

Monies paid or payable by way of judgment or settlement together with any liability on the Insured's part to pay legal costs and expenses.

3.4 **Policy** means

The contract of insurance between **ACE** and the Insured which comprises this policy wording, the **Schedule** issued by **ACE** (including any schedule substituted for the **Schedule**) and any document issued by **ACE** varying the policy coverage.

3.5 **Policy Period** means

The period stated in Item 7 of the **Schedule** or such further period for which this **Policy** has been renewed.

3.6 **Schedule** means

The **Schedule** issued with this policy wording.

3.7 **Underlying Insurance** means

Any policy listed in Item 10 of the **Schedule** plus any other underlying insurance notified to **ACE** and which **ACE** has agreed to include.

4. **CONDITIONS**

4.1 **Changes**

The Insured shall give **ACE** written notice as soon as reasonably practicable of any change materially affecting the risk underwritten by this **Policy** or any **Underlying Insurance**, including but not limited to the termination of coverage, alteration of any of the terms of coverage, or reduction or exhaustion of the aggregate limit(s) of liability applying to the **Underlying Insurance**.

4.2 **Insured's duties in the event of an Occurrence, Claim or Suit**

- (a) In the event of an occurrence or claim or the likelihood of an occurrence or claim the Insured must immediately take at its own expense all responsible steps to prevent or minimise injury, loss or damage arising out of the occurrence.
- (b) The Insured must give notice in writing to **ACE** immediately of every occurrence likely to give rise to a claim under this **Policy** and must immediately forward to **ACE** all documents and information relevant to each such occurrence including but not limited to every demand, writ, summons, proceedings, notice of prosecution, inquest or inquiry and all associated information.
- (c) The Insured must give notice in writing to **ACE** immediately of every occurrence involving serious injury (such as quadriplegia, paraplegia, brain damage, loss of limb etc.) or substantial property damage (such as substantial damage to buildings, structures or equipment caused by fire, collapse, explosion or loss of support etc.) or any occurrence where the amount of the claim is likely to exceed 25% of the limit(s) of liability of the **Underlying Insurance** and must immediately forward to **ACE** all information relevant to the occurrence held by the Insured.



- (d) The Insured must not, without **ACE's** written consent, make any admission, offer, promise or payment in connection with any occurrence or claim.
- (e) The Insured must use its best endeavours to preserve all property, any product, appliance and plant and all other things which may assist in the investigation or defence of a claim or in the exercise of rights of subrogation and so far as may be reasonably practicable no alteration or repair is to be effected without the consent of **ACE** until **ACE** has had an opportunity of inspection.

4.3 **Right to participate in claim conduct and co-operation of the Insured**

- (a) **ACE** has the right to handle any claim under this **Policy** in the manner it wishes. **ACE** shall not be required to assume conduct of the defence or settlement of any claim brought against the Insured but **ACE** shall have right and be given the opportunity to participate with the Insured and the insurer(s) of the **Underlying Insurance** in the defence or settlement of any such claim.
- (b) The Insured shall provide **ACE** with all necessary co-operation and assistance to defend such claim and prosecute any recovery or contribution action.

4.4 **Assignment**

Assignment of an interest under this **Policy** does not bind **ACE** until its consent is endorsed on the **Policy**. If the Insured dies or is adjudged bankrupt or insolvent, this insurance will cover:

- (a) the Insured's legal representative acting on behalf of the Insured or the Insured's estate;
- (b) any person or corporation having lawful temporary custody of property which is or was before the Insured's death owned or possessed by the Insured until the appointment of a legal representative.

4.5 **Statutory Requirements**

The Insured must take reasonable measures to comply with all statutory obligations and regulations imposed by any statutory or governmental authority.

4.6 **Cancellation**

- (a) The Insured may cancel this **Policy** by giving notice in writing to **ACE**. If such notice is given, the cancellation will take effect on the day the notice is received by **ACE**.
- (b) **ACE** may cancel this **Policy** in any of the circumstances set out in the Insurance Contracts Act 1984 (as amended). Such cancellation is to take effect 30 days from the time notification is received by the Insured.
- (c) Upon cancellation by the Insured or **ACE** the Insured will receive a pro rata refund of premium for the unexpired period of insurance subject to the Insured complying with 4.6 (d)
- (d) When the premium is subject to adjustment, cancellation will not affect the obligation of the Insured to supply to **ACE** such information as is necessary to permit the premium adjustment to be calculated and to pay the amount of the adjustment applicable up to the date of cancellation.



4.7 **Applicable Law**

Should any dispute arise concerning this **Policy**, the dispute will be determined in accordance with the law of Australia and the States and Territories thereof. In relation to any such dispute the parties agree to submit to the jurisdiction of any competent court in a State or Territory of Australia.

4.8 **Insurance Contracts Act 1984**

Nothing contained in this **Policy** is to be construed to reduce or waive the Insured's or **ACE's** privileges, rights or remedies available under the Insurance Contracts Act 1984.

4.9 **Maintenance of Underlying Insurance**

The Insured shall maintain the **Underlying Insurance** in full effect during the **Policy Period**, except for any reduction or exhaustion of the aggregate limit(s) contained in such policies solely by payment of claims arising out of occurrences covered there under.

Failure to comply with this condition or the bankruptcy or insolvency of any of the underlying insurer(s) shall not invalidate this **Policy** but in the event of such circumstances, **ACE** shall be liable only to the extent that it would have been liable had such circumstances not existed during the **Policy Period**.



IMPORTANT NOTICES

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That your insurer knows or, in the ordinary course of its business, ought to know;
- As to which compliance with your duty is waived by the insurer.

It is important that all information provided in support of your application for insurance is understood by you and is correct, as you will be bound by your answers and by the information provided by you. If you do not understand any part of this notice, you should obtain independent advice.

Your duty of disclosure continues after your application for insurance has been completed up until the contract of insurance is entered into.

Consequences of Non-Disclosure

If you fail to comply with your duty of disclosure, **ACE** may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, **ACE** may also have the option of avoiding the contract from its beginning.

Change of Risk or Circumstances

You should advise **ACE** as soon as practicable of any change to your normal business as disclosed to **ACE** prior to entering into the contract of insurance. This includes every change materially affecting the facts or circumstances existing at the commencement of this insurance, or at any subsequent renewal date.

Subrogation

Where you have agreed with another person or company, who would otherwise be liable to compensate you for or contribute towards any loss or damage which is covered by the **Policy**, that you will not seek to recover such loss or damage or contribution from that person, **ACE** will not cover you, to the extent permitted by law, for such loss or damage or contribution.



PRIVACY STATEMENT

ACE Insurance Limited (ACE) is committed to protecting your privacy. ACE collects, uses and retains your personal information in accordance with the National Privacy Principles. Our detailed privacy policy is available on our website at www.aceinsurance.com.au.

ACE collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim.

We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them and to handle any claim that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as assessors and call centres), other companies within the ACE Group, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside Australia.

You agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

If you would like to access a copy of your personal information, or to correct or update your personal information, please contact our customer relations team on 1800 815 675 or email CustomerService.AUNZ@acegroup.com.

If you have a complaint or want more information about how ACE is managing your personal information, please contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Tel: +61 2 9335 3200 or email Privacy.AU@acegroup.com.

CODE OF PRACTICE

ACE is a signatory to the General Insurance Code of Practice (the Code). The Code sets out the minimum standards that we will uphold in respect of the products and services that we provide. Further information about the Code is available at www.codeofpractice.com.au and on request.