

**Excess Liability Policy**



**Liberty**  
International  
Underwriters

## Policy Schedule

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- 1. POLICY NUMBER:** SY-CAS-14-418002A
- 2. INSURED:** TransGrid and The State Government of NSW as Principals/Owners/Contractor.
- Contractors and/or their subcontractors which have entered or that are intending to enter into an agreement and/or contract with the Insured to perform work or to supply goods &/or services in connection with the project.
- All other contractors and/or sub-contractors and all further companies, organisations, entities or persons which as Principal/Owners agree to include herein to the extent of their respective rights and interests but designers, architects, engineers and other consultants are covered for their activities onsite only.
- Subcontractors engaged by any of the above; and/or
- Directors, Officers and Employees of any of the above but only in respect of the business and activities of the Insured
- Any Financiers and/or Finance Companies
- Any other company for which the Insured assumes management together with all other parties for whom the Insured is required under contract to provide insurance protection are also included as an Insured
- And others as per the definition of Insured herein.
- 3. PERIOD OF INSURANCE:** From: 1<sup>st</sup> May 2015 at 4.00pm local standard time  
To: 1<sup>st</sup> May 2016 at 4.00pm local standard time
- 4. INSURED'S BUSINESS:** 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, lessees, lessors, occupiers and all incidental and associated operations trades and activities where TransGrid contracts with other entities and any other activities incidental thereto.
- Additional to the above, this policy also includes under this definition activities where one TransGrid department/division contracts to another in respect to construction related activities.
- 5. LIMIT OF INDEMNITY:** AUD30,000,000 any one occurrence in respect of public liability and in the aggregate during the Period of Insurance in respect of product liability
- In excess of the Underlying Insurance described in Item 6 below but in no event for any claim or loss until such claim or loss exceeds AUD20,000,000 any one occurrence in respect of public liability and in the aggregate during the

Period of Insurance in respect of product liability.



**6. SCHEDULE AND DESCRIPTION OF UNDERLYING INSURER(S):**

(Lead) Public & Products Liability AIG Australia Limited Policy No: 3000012883	1 <sup>st</sup> May 2015 – 1 <sup>st</sup> May 2016	AUD20,000,000 any one Occurrence in respect of public liability and in the aggregate during the Period of Insurance in respect of product liability.
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**7. POLICY WORDING:** LIU Excess Liability Policy form LIU-AUS-CAS-XOL-2000002 .

**8. PREMIUM:** As agreed.

This Schedule attaches to and forms part of LIU Excess Liability Policy Form LIU-AUS-CAS-XOL-2000002 and is valid only if it is signed and dated below by a person duly authorised by Liberty International Underwriters.

9<sup>th</sup> July 2015

For and on behalf of  
Liberty International Underwriters

Date

## Excess Liability Policy

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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).

Whereas the Insured named in this Policy carrying on the Business as described in the Schedule for the purposes of this insurance has applied to LIU for the insurance hereinafter contained and has paid or agreed to pay the Premium in consideration for such insurance and the Underlying Insurer(s) has issued to the Insured the underlying policy(ies) of liability insurance.

Now this Policy witnesseth that subject to the terms contained herein or endorsed hereon, LIU will indemnify the Insured in accordance with the applicable terms, exceptions, conditions and endorsements of the lead underlying policy on a follow form basis with which this Policy shall run concurrently.

Provided that such loss is covered by, or but for the relevant limit of indemnity, would have been covered by the lead underlying policy and LIU shall only be liable after the Underlying Insurer(s) has paid or has been held legally liable to pay the respective limit(s) of indemnity under the underlying policy(ies) and then only up to the Limit of Indemnity as provided for in the Schedule.

The liability of LIU for all sums which the Insured shall become legally liable to pay by way of compensation in respect of any one occurrence or series of occurrences arising from one originating cause shall not exceed the Limit of Indemnity stated in the Schedule or such amount(s) as may be substituted therefore by endorsement or memorandum hereon or attached hereto.

The insurance afforded by this Policy shall follow that of the lead underlying policy provided that:

1. LIU shall not be obliged to assume charge of the settlement or defence of any claim or suit brought or proceedings instituted against the Insured, but LIU shall have the right and be given the opportunity to participate with the Insured or the Insured's Underlying Insurer(s), or both, in the defence and control of any claim, suit or proceedings relative to an occurrence where the claim or suit or proceedings involve or appears reasonably likely to involve LIU in which event the Insured, the Underlying Insurer(s) and LIU shall co-operate in all things in the defence and control of such claim, suit or proceedings.
2. The Insured shall co-operate with the Underlying Insurer(s) as required by the terms of the lead underlying policy, and comply with all the terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person, corporation or organisation who may be liable to the Insured in respect of any occurrence.
3. The Insured shall not, without LIU's written consent, make any admission, offer, promise or payment in connection with any occurrence or claim. In the event that the amount of the excess loss becomes certain either through trial, court judgement or agreement among the Insured, the claimant and LIU, then the Insured may pay the amount of excess loss to the claimant to effect settlement and upon submission of due proof thereof, LIU will, upon request of the Insured, pay such amount to the claimant on behalf of the Insured.
4. Any costs or expenses provided for in the underlying policy(ies) shall not be taken into account in relation to the application of this Policy.

## Definitions

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1. "LIU" means Liberty International Underwriters. Liberty International Underwriters is a trading name of Liberty Mutual Insurance Company (ABN 61 086 083 605) incorporated in Massachusetts, USA (The liability of members is limited).

2. "Asbestos" means:

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

2.2 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.

3. "Terrorism" means an act or acts:

3.1 That are violent in nature or are dangerous to human life:

3.1.1 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

3.1.2 That have the apparent intent of:

3.1.2.1 Intimidating or coercing any civilian population;

3.1.2.2 Influencing the policy of any government by intimidation or coercion;

or

3.1.2.3 Affecting the conduct of any government by mass destruction, assassination, or kidnapping,

Or

3.2. That result in:

3.2.1 The denial of access to or services from web sites, computer networks, or telecommunications equipment; or

3.2.2 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.

## Premium

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The premium for this Policy is the amount stated in item 8 of the Schedule. Unless the premium is minimum and non adjustable, the premium for this Policy shall be based upon the turnover and/or wageroll from all operations of the Insured during the Period of Insurance. Upon expiration of each Period of Insurance, or if terminated sooner, the actual amount of turnover and/or wageroll during such Period shall be declared to LIU, and the earned premium shall be calculated thereon at the prevailing rate. Such earned premium shall immediately become due and payable to LIU.

## Underlying Insurance

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The Insured shall maintain in full effect the underlying policy(ies) and renewals or replacements thereof with limits of indemnity as stated in the attached Schedule during this Period of Insurance, except for any reduction or exhaustion of the aggregate limit or limits contained in such policies solely by payment of claims arising out of losses which happened during the Period of Insurance. Failure to comply with the foregoing or bankruptcy or insolvency of any of the underlying insurers or the Insured shall not of itself invalidate this Policy but in the event of such circumstances LIU shall be liable only to the extent that it would have been liable had such circumstances not existed during the Period of Insurance.

## Notice Of Changes

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The Insured shall give LIU written notice as soon as practicable of any change in the scope of coverage or in the amount of limits, or any material change in the risk under any underlying insurance, and of the termination of any coverage or exhaustion of aggregate limits of any underlying insurer's liability. Failure to give such notice may entitle LIU to rely upon the cancellation provisions of the Insurance Contracts Act 1984 (as amended).

## Notice Of Loss

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The Insured shall give notice in writing to LIU as soon as practicable of every occurrence, and shall immediately forward to LIU information relevant to such occurrence received or held by the Insured or his representative, in particular every demand, writ, summons, proceedings, impending prosecution, inquest and all information in relation thereto which may exceed 25% of the applicable amount as described in the lead underlying policy.

## Step-Down Provision

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LIU hereby agrees that if by reason of the payment of any claim or claims by the Underlying Insurer(s) during the Period of Insurance, the amount of indemnity provided by such underlying policy(ies) is partially reduced, then this Policy shall apply in excess of the underlying policy(ies) until expiry hereof and subject to the terms and conditions of the lead underlying policy.

## Costs Clause

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LIU will pay in connection with the defence and/or settlement of claims brought against the Insured all costs and expenses incurred with the written consent of LIU in the proportion that LIU's limit of indemnity in respect of such claim bears to the total amount payable, provided that any such expenses to be paid by LIU must relate directly to the indemnity provided by LIU under this Policy.



## Policy Interpretation in Accordance with the Laws of Australia

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This Policy shall be interpreted in accordance with the laws of Australia and all claims for indemnity under this Policy shall be decided in accordance with those laws. All matters arising from or relating to the construction, operation or interpretation of the Policy shall be submitted to the exclusive jurisdiction of the Australian Courts.

## Cancellation

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The cancellation provisions applicable to the lead underlying policy shall apply in all respects to cancellation of this Policy and further, upon the Underlying Insurer(s) failing to continue as valid insurer due to exhaustion of the aggregate limit solely by payment of claims or bankruptcy or insolvency of the Underlying Insurer(s), LIU shall be entitled upon expiry of the Period of Insurance to rely upon the cancellation provisions of the Insurance Contracts Act 1984 (as amended).

## Electronic Communications

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Each Insured agrees that LIU may issue by electronic mail or post any notices required to be given under the Insurance Contracts Act or otherwise.

## Breach of Applicable Law

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Notwithstanding anything else to the contrary in the Policy, whenever coverage provided by this Policy would be in violation of any applicable economic, trade or other sanction or law, such coverage shall be null and void and LIU has no obligation to pay a claim if to do so would breach that sanction or law.

## Liberty Mutual AGM

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Liberty International Underwriters is a trading name of Liberty Mutual Insurance Company ("LMIC"), a stock insurance company incorporated in Massachusetts USA. LMIC is an indirect subsidiary of Liberty Mutual Holding Company Inc. ("LMHC"), a Massachusetts USA mutual holding company. NOTICE IS HEREBY GIVEN that the annual meeting of LMHC is held on the second Wednesday in April of each year at ten o'clock in the morning, local time, at LMHC's office at 175 Berkeley Street, Boston, Massachusetts USA. This notice is for members of LMHC only. One becomes a member of LMHC by virtue of being a policyholder of LMIC. Membership rights terminate when one ceases to be a policyholder of LMIC. Members of LMHC may request a copy of LMHC's annual financial statements, which are posted on Liberty Mutual's website at [www.libertymutual.com](http://www.libertymutual.com), by writing to Liberty Mutual Holding Company Inc., 175 Berkeley Street, Boston, Massachusetts 02116.

## Exclusions Applicable To All Coverages Under This Policy

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Regardless of the provisions of any underlying policy, this Policy does not cover liability directly or indirectly caused by, arising out of or in any way connected with:

1. Asbestos.
2. Any liability which is the subject of a sub-limit as part of any policy specified in the Schedule of Underlying Insurance or any other insurance collectible by the Insured.

3. And regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

3.1 War and military action which includes without limitation the following:

3.1.1 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;

3.1.2 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;

3.1.3 Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

3.2. Any actual or threatened act of domestic or international Terrorism committed by a person or persons acting:

3.2.1 Alone or on behalf of or in connection with any organisation; or

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

3.3 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 any more specific exclusion in the lead underlying policy.

Signed on behalf of Liberty International Underwriters



9<sup>th</sup> July 2015

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For and on behalf of  
Liberty International Underwriters

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Date