



Ministry of Education

Information on Principal arranged construction insurance

NB: This Schedule is not valid unless a Certificate of Currency has been signed. A Certificate of Currency is available once the contract has been entered into the Ministry's on-line contract works insurance facility by the Principal - refer MOE website and SEARCH "Contract Works Insurance".

To whom it may concern:

From: Vero Insurance New Zealand Limited (Lead insurer) *(name of insurance company)*
 Auckland *(Branch)*
 Private Bag 92-237, Auckland *(Address)*

We confirm having effected insurance for:

Ministry of Education and/or any School Board of Trustees *(The Principal)*
 The Site and elsewhere in New Zealand *(Covering property at)*
 Contract Works *(Class of insurance)*
 In respect of All contracts commenced during the period of insurance *(Project title)*

Policy wording title: Construction Material Damage

We advise that special terms, copy attached, have been applied to this policy Yes

The following provisions apply:

- ~~Material damage/construction project specific policy~~
- Annual run-off policy
- ~~Annual cut-off policy~~

Policy expiry date: 30 September 2024

The following forces of nature are insured:

- | | | |
|-----------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| <input checked="" type="checkbox"/> landslip | <input checked="" type="checkbox"/> earthquake | <input checked="" type="checkbox"/> tsunami |
| <input checked="" type="checkbox"/> tornado | <input checked="" type="checkbox"/> cyclone | <input checked="" type="checkbox"/> storm |
| <input checked="" type="checkbox"/> flood | <input checked="" type="checkbox"/> lightning strike | <input checked="" type="checkbox"/> volcanic activity |
| <input checked="" type="checkbox"/> hydrothermal activity | <input checked="" type="checkbox"/> geothermal activity | |

Construction period: Any period not exceeding 24 months

Insurance maintenance period: Any period not exceeding 12 months

This policy has been endorsed to record as an additional insured:

The Contractor Yes
 Subcontractors Yes

The limits of liability - per occurrence/Site are (GST exclusive):

Contract Price - Maximum	\$ 20,000,000
Cost of demolition - 7.5% of contract value maximum	\$ 1,500,000
Professional fees - 5% of contract value maximum	\$ 1,000,000
Value of items to be incorporated	\$ included in the Contract Price
Allowance for Variations	15% of contract value
An allowance for an increase in construction costs and reconstruction costs - 10% of contract value maximum	\$ 2,000,000

The policy deductibles are (GST inclusive):

Non-earthquake (Contract Price \$1 to \$15,000,000)	\$ 5,000
Non-earthquake (Contract Price \$15,000,001 to \$20,000,000)	\$ 10,000
Natural disaster:	
1% of the completed contract value at risk at time of loss, minimum for Contracts in the Regions of Northland and Auckland, and the District of Dunedin City and Clutha.	\$ 5,000
5% of the completed contract value at risk at time of loss, minimum for Contracts in the Regions of Wellington, Marlborough and Nelson/Tasman.	\$ 5,000
2.5% of the completed contract value at risk at time of loss, minimum for Contracts in all other areas of New Zealand.	\$ 5,000
This Natural Disaster excess only applies to Contracts for new schools and to Contracts for new buildings on an existing site.	
Other (name) Testing and Commissioning	\$ 25,000

Policy cover terms included are:

Discretionary cancellation clause	No
Severally insured	Yes
No settlement delay due to exercise of subrogation	Yes
Void <i>ab initio</i> for non-payment of premium without prior notification	No
Covers damage to existing structures, other structures in the vicinity or their contents arising out of the Contract Works	No

Policy extensions included are:

		<u>Sub-limit (if applicable)</u>
Transit (in New Zealand)	Yes	\$ 500,000
Materials in storage (in New Zealand)	Yes	\$ 1,000,000
Testing and commissioning	Yes	8 weeks
Expediting expenses and/or Overseas airfreight	Yes	\$ 1,000,000
Partial occupation	Yes	

We undertake that this policy will not be cancelled or amended by us within the period of insurance without written advice to the insured party which has arranged the insurances.

This insurance issued is subject to the terms and conditions of this policy. We do not warrant that this policy complies with the requirements of NZS3910 or any other conditions of contract being used.

Insurance Company Stamp Marsh Ltd **Date**
(Or name of insurance broking company confirming cover)

SIGNED BY Martin Holden
SIGNATORY TITLE Senior Client Executive

Special Terms:

HOT WORKS WARRANTY

It is warranted that in respect of Hot Work the following precautions will be complied with on each occasion:

the area of the work will be cleared of combustible material for a safe distance from or beneath the place where such work is being carried out. A safe distance will be not less than six metres when welding or cutting operations are carried out. Where such precautions are impracticable such material will be covered with fireproof blankets or similar protective equipment. Combustible parts of premises will be similarly protected;

the work will be carried under the supervision of the site foreman, or equivalent designated person;

a hose reel or fire extinguisher of a type and capacity suitable for the combustible material and the premises will be kept immediately adjacent to the area of work and available for immediate use;

equipment will be lit or switched on for as short a time as possible before use and extinguished immediately after use;

lighted or heated equipment will not be left unattended;

a thorough examination for any signs of combustion will be made within or below the area in which work has been undertaken half an hour after the termination of each period of work;

before applying heat to metal built into or projecting through walls, floors or ceilings an examination will be made to ensure that the other end of the metal is not in hazardous proximity to combustible material.

'Hot Work' means work such as:

- grinding, cutting or welding operations;
- use of blow lamps and torches;
- application of hot bitumen; or
- any other heat producing operation.