

## Frequently Asked Questions

### ***Does the Contractual Liability policy stand alone or is it an attachment for an existing policy?***

This is an entirely standalone policy which does not rely on any other policies in the market (issued by MECON or otherwise).

MECON also has an endorsement which adds limited Contractual Liability cover to the liability sections of its other policies.

### ***What occupations/industries does the Contractual Liability policy cover?***

The range of occupations and industries is not confined to the construction industry. This policy has been designed to cater for most occupations and the many contracts/contractual relationships these occupations/industries have.

### ***Does the policy allow for hold harmless provisions in a contract?***

Yes.

### ***Does the policy have the same trigger as a General Liability policy. That is to say does it respond to Legal Liability in tort?***

No, it responds to liability in contract - which is the mirror image of a General Liability policy.

### ***What is the sum insured/limit of liability?***

It can be whatever a client decides is sufficient. There are generally no contractual requirements for the limits of contractual liability. Usually, however, the limit of liability often requested is equal to the general liability limit.

### ***Who is insured?***

The party named as the insured in the schedule and the cover can be extended to cover that party for liability caused by its contractors and subcontractors.

### ***Are principals insured?***

A principal can effect a policy for itself, but a policy would not cover both the named insured and its principal (It is between them that separate contractual obligations exist and conflicts lie).

### ***Who handles contractual liability claims?***

MECON's own claims department administer all claims.

### ***Who is the Insurer for Contractual Liability?***

AIG Australia Limited (AIG).

### ***What sort of contracts does the policy cover?***

The Single Contract cover is for one specified project, but it covers all contracts relative to that project.

The Annual Contracts policy covers all contracts related to the business specified. The contracts can take any form providing they are written and signed by the parties to that contract, such as hire agreements, construction contracts, supply and manufacturing contracts, etc.

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***Does MECON need to see the contract documents?***

For a Single Contract, we would need to see the major contract and we may request to see the largest contract a business enters in to (or has) for an Annual Contracts cover.

***Does the policy cover contracts of insurance (policies) which are contractually required to be effected but are found not to have been effected?***

No.

***Does the policy cover deductible amounts required to be paid under contract where the deductible applies to a policy effected by a principal or another party?***

Yes. There is a \$250k limit for this.

***Although the policy responds to occurrences of injury and damage, does the policy respond to any non-injury or non-damage occurrences?***

Yes. There is a \$20k limit which can be utilised for defense or support of any contractual dispute.

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