



Risk and Related Services

CRM Brokers Pty Ltd and
AR Conolly & Company Lawyers

Construction

Using a team of expert lawyers (with access to experienced investigators, engineers, quantity surveyors and barristers) AR Conolly & Company provide comprehensive contracts review, risk assessment and management services for the benefit of CRM Brokers' clients who seek to be insured across all stages of construction projects.

Initial review and assessment identify any key areas of weakness, significant risk exposure and potential adverse impact. This may require an effective risk management approach tailored to meet the requirements of the insured's business operations.

In addition to a thorough assessment of the insured's exposure to a variety of risks, AR Conolly & Company provide a comprehensive contracts review service to ensure the insurance policy adequately covers the risks identified in the risk assessment phase.

Apart from the main insurance contracts, other contractual issues impacting on legal and commercial liabilities arising from contractor and sub-contractor arrangements, as well as construction and financing arrangements, can be examined.

In addition to advice on insurance, corporate and commercial aspects of the insured's project, CRM Brokers and AR Conolly & Company's experienced team can provide expert resolution, arbitration and litigation services to the insured. Through effective risk management and reporting procedures, CRM Brokers and AR Conolly & Company can ensure that their insured clients are properly prepared in the event that disputes arise.



Contracts Review

To supplement risk assessment and management, CRM Brokers and AR Conolly & Company can assist insured clients by means of contracts review – whether relating directly to insurance or other contractual issues.

In conjunction with CRM Brokers, AR Conolly & Company is happy to work closely with the insured's in-house legal advisers and risk managers to ensure liability and exposure is realistically managed and contained across the whole range of contractual obligations.

Combined with legal advice, a comprehensive contracts review complements risk management and identifies potential exposures and liabilities arising under the contractual terms. These may extend to 'hold harmless' agreements, indemnities and warranties.

As a part of the contracts review service, AR Conolly & Company and CRM Brokers will:

- Identify whether liabilities and exposures recognised in the risk assessment phase are adequately covered by the relevant insurance policy
- Suggest and assist with drafting changes which can be applied to contracts and provide a basis for renegotiation with the insurer and others.
- Provide a risk 'help desk' to offer telephone consultation with insured clients to discuss any review and answer questions that may arise.

The review process will broadly include the following steps:

1. Familiarisation with insured's business and the construction projects
2. Review of insurance contract and preliminary risk indicators
3. Related contract reviews (e.g. financing, sub-contractors)
4. Miscellaneous tasks depending on the nature and complexity of the project

Additional services can be provided as required, tailored to the complexity and scope of the insured's project under review. These additional services (on a fee basis) can be provided promptly on request.

Risk Management

To identify and reduce risks, CRM Brokers and AR Conolly & Company assist development of risk management programmes tailored to the requirements of particular projects and the insured's business operations.

Risk Management involves:

1. Understanding the insured's business
2. Knowledge of the project scope and objectives
3. Risk analysis
 - a. Identification of risks
 - b. Assessment of the likelihood of risks occurring and their consequences
 - c. Indicate those risks requiring attention
4. Response planning – regarding:
 - a. Prevention and limitation
 - b. Impact mitigation
 - c. Risk transfer (where possible)
 - d. Risk acceptance
 - e. Selection of response
 - f. Action schedules – major risks
 - g. Management measures – moderate risks
5. Reporting procedures aligned with:
 - a. Risk Management Plan for major exposures
 - b. Risk action schedules and measures for moderate exposures
6. Risk management implementation
 - a. Implement action schedules and management measures
 - b. Monitor implementation and effectiveness
 - c. Periodic review of risks and evaluation of additional risk management measures
7. Techniques to manage a project's risk exposure include:
 - Hazard analysis
 - Probability assessment
 - Risk surveys
 - Decision analysis
 - Scenario analysis
 - Implementation Programme



Risk Assessment

Assessment of risk will be conducted by CRM Brokers and AR Conolly & Company personnel across the insured's general and "project specific" areas of operation.

Risk assessment during site visits will initially be conducted by CRM Brokers and AR Conolly & Company. Where additional expertise is required, input will be sought from particular specialists to advise on any special procedures or areas of exposure.

Components of risk assessment include:

- Early identification of a project's risk profile
- Contact with the insured to communicate identified exposures across the life-cycle of a project
- This will include:
 - o Site visits to identify operational risks and exposures that will require appropriate cover from Contract Works and ISR policies and in particular public and product liability, workers' compensation and indemnity obligations
 - o Development of a risk management plan and treatment strategies for identified risks
- Site visits to identify the primary exposures of the building site that will vary between projects. For examples of these exposures, see Schedule A.
- The service also includes follow up site visits and regular progress meetings (if required)
- Risk assessment conducted will identify risk exposure in the general, core and key areas of the insured's business. These include items such as:

o Material Damage	o Product Liability
o Business Interruption	o Workers' Compensation
o Crime	o Machinery and Engineering
o Public Liability	o Management Liability
- For a list of specific issues involved in these areas, see Schedule B.

OH&S Issues

This is an important area and is to be considered in conjunction with Workers' Compensation requirements. CRM Brokers' and AR Conolly & Company services encompass the following:

- Are manuals available and up to date?
- Do sub-contractors comply?
- Safety Policy – inspections
- Hazards – Occurrence and Reporting
- Statements and Policy re: Safe work Practices
- Training facilities and programmes
- Emergency Response procedure
- First aid
- Injury and accident – procedures and reporting
- Special equipment requirements



Appendix

Schedule A – Site visits

- Site visits will address major risks such as:
 - o Site location, safety and security
 - o Fire risk resulting from operation of equipment and the use of flammable materials near ignition sources
 - o Damage caused by falling materials, wind, and hail
 - o Vandalism and malicious damage to be mitigated by security and appropriate site fencing
 - o Failure of form-work and scaffolding resulting in collapse and structural instability
 - o Time pressures of project deadline which may not allow sufficient time for concrete to cure and bonds to set
 - o Contractor Management.

Schedule B – Items to be considered in conjunction with information supplied by CRM Brokers

General Details

1. Details of company and any subsidiary and/or joint venture companies.
2. List of site addresses for current projects.
3. Head Office address and trading name details.
4. Primary client contact – name and details
5. OH&S Manuals and Procedure.
6. Total wage estimates.
7. Total number of employees.
8. Estimated turnover for current year and next insurance year.
9. Primary contractor details.
10. Staff and Contractor management and records.
11. Does the company/group do anything other than commercial building?
12. Current insurance details – Insurer and policy type. e.g. Annual or single project cover.
13. Broker details – CRM Brokers' key contacts.
14. Insurance begins (date) and expires when?
15. Details of all current underwriters.
16. Current deductible on claims.
17. Details of computer systems and records backup arrangements and security
18. Is there a business continuity management arrangement? Records backup?
19. Is the Head Office premises owned or leased?
20. Is there any key machinery or special equipment that may require replacement in the event of damage or accident?
21. If there was disruption at head office, can a branch or other office take over administration at least temporarily?
22. Are there any particular suppliers upon which the client is dependant?
23. Claims experience and impact on insurance premiums.

Operational Activities

24. Hours of operation – General and site specific.
25. Is there any cash in transit involved in operations?
26. Any claims or cases of dishonesty, fraud or theft?
27. Site security and head office premises security.
28. Security system details.
29. Details of any relevant contents cover.
30. Stock and basic materials to be covered.
31. Other financial interests in building sites to be insured – Lenders, Lessors of equipment etc..
32. Are secured premises accessed by keycard entry or other lock/devices?
33. Are any internal and external audits conducted re staff and crime? If so, when and by whom?
34. Payroll distribution arrangements.
35. Protection of sites against vandalism or theft.
36. How is confidential building and client information stored and protected?
37. Details of goods imported and/or exported if relevant. Any warehouse operation involved?
38. Is there any element of marine or marine transit insurance involved?
39. Does the company transport goods belonging to other parties?
40. Vehicle and equipment cover and insurance level.
41. Are goods covered by specific transit policies or by an annual cover arrangement?
42. What protection is available in relation to damage flowing from strikes or industrial action?
43. Are any components or stock perishable?
44. Level of tools of trade cover required.
45. What stock and tools in transit cover is in place in relation to head office and the various sites?
46. Level of materials and machinery/equipment cover required for building sites under construction – specify.
47. Is cargo cover required?
48. Does the company have any responsibility for concrete in transit in relation to any vehicles it owns? If not, what risk and cover is available from the relevant suppliers?
49. What arrangements are in place for the transport of equipment and plant and machinery to and from various sites?

50. Details of machinery to be insured (are spares covered or carried?)
 51. Provide specific details for each separate current building site - if available.
 52. Are there any maintenance agreements in force which relate to equipment used by the insured?
 53. Presumably deterioration of goods and boiler cover is unlikely to be required - if construction is new. Are refurbishment or reinstatement jobs undertaken?
 54. What insurance cover is in place for unregistered vehicles such as generators, excavators, internal trucks/loaders and digging equipment?
 55. What is the use of hire equipment by the company?
 56. What type of equipment does the client actually own? Is there an inventory available? Who updates it and what frequency?
 57. Details of drivers – age, experience, training, and any rights to use vehicles for private use.
 58. Loss and claims history.
 59. Details of vehicles and relevant insurance details (e.g. CTP gap cover, use of private vehicles).
 60. Are third party vehicles hired or used in the business of the insured company? If so, are any such vehicles leased or financed?
 61. Details of company policy on use of employee's vehicles and use of company vehicles for private purposes.
 62. Does the client own or operate any concrete mixer trucks?
 63. Does the client own or operate any heavy machinery, concrete mixer trucks, mobile cranes, fork lifts or other specialist equipment?
 64. Details of fire and perils insurance cover.
 65. Is cover required for crane/hook risk?
- ### Review of Liability Exposures
67. Confirmation of vibration monitoring.
 68. Confirmation of completed dilapidation reports for all neighbouring properties (irrespective of an underwriter's request for one).
 69. Confirmation of site inductions.
 70. Compliance with Welding & Hotworks Standards.
 71. Compliance with lifting (crane) standards and preparation of cranes by operators in anticipation of strong winds.
 72. Multi-lift procedures.
 73. Soil contamination monitoring.
 74. Site preparation in anticipation of a storm.



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