

Managing risk where it really matters: Insurance & contracting insights for waste & contaminated land projects

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Bellrock Advisory



About Bellrock

Bellrock exists to do risk differently. We have succeeded where our customers buy “less” insurance.

Risk Advisory and advocacy
“arranging, managing and claims service ... is part of what we do”

2007

year established

5

offices

70

staff servicing clients nationwide

\$140m

in policy premiums placed into the insurance market annually

\$10b

premium pool leveraged across global insurance markets

100%

owned by directors & staff, including our employee share plan

\$100m

in claims currently managed by Bellrock Claims team

42

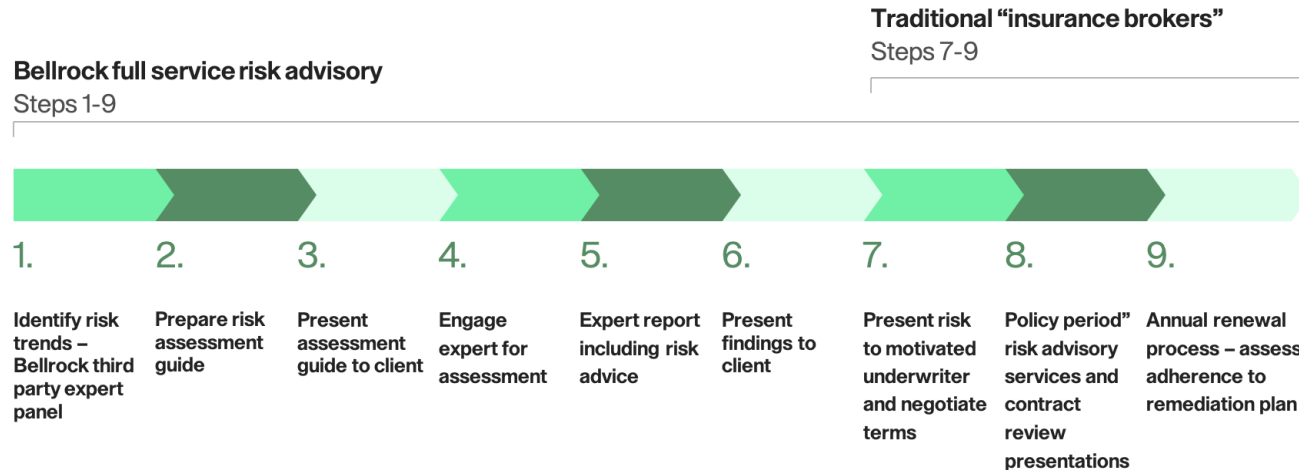
claims per month settled by Bellrock Claims team on average

\$7.5m

in claims paid for Bellrock clients in the last 12 months

Bellrock Methodology

Understanding and demonstrating risk advisory and advocacy



Doing risk differently

- Risk advisory and advocacy
- General insurance placement, negotiation, administration of policies and claims management is a part of what we do
- Act on behalf of the customer not insurer
- Internal & Outsourced risk manager model
- Contract Reviews
- Seminars & webinars
- Articles, monthly newsletter

Working as one

Our associations

Endorsed partner associations



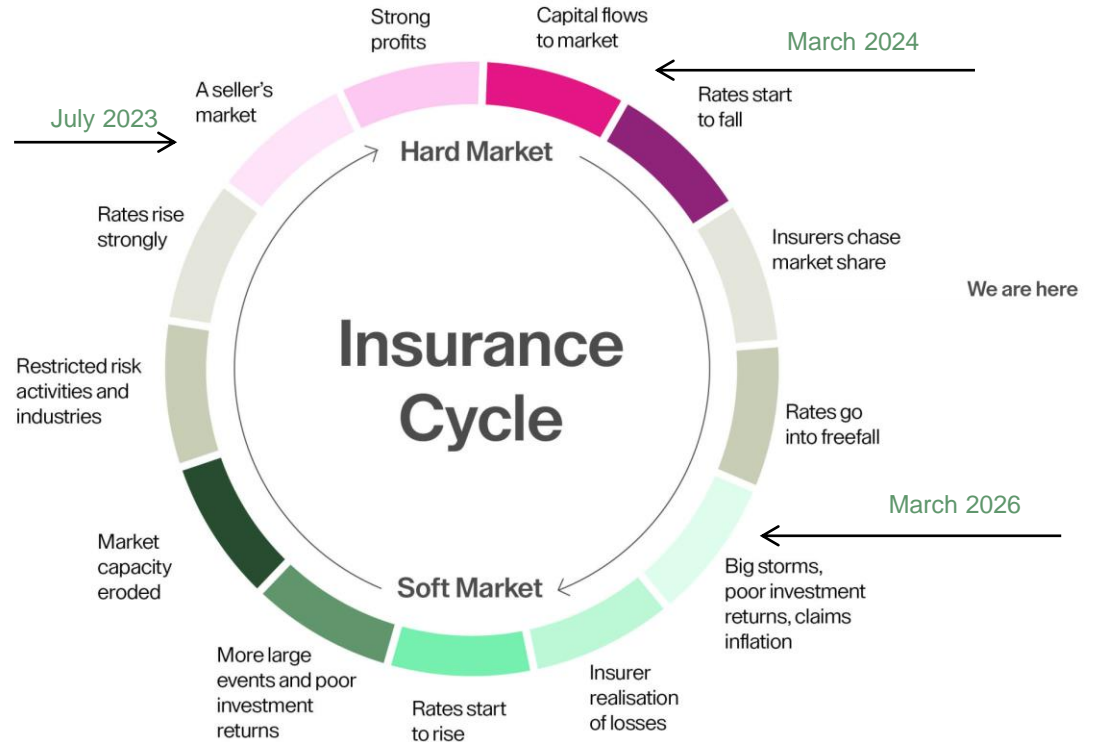
Associations we advise and work with



The Insurance Cycle

- **Aus – 4 o'clock**
- Soft market – capacity is stronger, cheap premiums, competition
- Bellrock sees the marketing turning in next 2 years

- **NZ – closer to 1 o'clock**
- Softening market
- Insurers watching NZ building regulation changes
- 4 years ago construction industry PI was “running at 400%” – industry target for profitability is 60%



Insurance for Environmental Consultants & Contractors

NZ – often bundled with one insurer

| Product | Coverage |
|--|--|
| Professional Indemnity Errors & Omissions | <ul style="list-style-type: none"> • Civil Liability • Contractual exposures |
| Public & Products Liability | <ul style="list-style-type: none"> • For your office and on site • Combined with PI can be office only for consultants |
| Office Insurance | <ul style="list-style-type: none"> • Cover for the building, contents, glass, PL |
| Management Liability | <ul style="list-style-type: none"> • Directors & Officers • Employment practice Liability • Statutory Liability |
| Cyber Liability | <ul style="list-style-type: none"> • First Party Cover • Third party Cover • Social Engineering extension a must |

| Product | Coverage |
|---|---|
| Contractors Pollution Liability | <ul style="list-style-type: none"> • PL & clean up costs |
| Plant & Equipment | <ul style="list-style-type: none"> • Excavators, bobcats |
| Motor Vehicle Fleet | <ul style="list-style-type: none"> • Company vehicles |
| Workers Compensation | <ul style="list-style-type: none"> • Aus – Compulsory Statutory Insurance On-site employee injury • NZ - Employers' Liability Insurance – for claims outside the ACC Scheme |
| Statutory Liability | <ul style="list-style-type: none"> • Safework |
| Violation of Statutory law - legal defence costs cover | <ul style="list-style-type: none"> • NZ – Worksafe, Resource Management Act and Building Act |



Exclusions – Beware!

Bellrock has had significant success working with insurers to procure affordable and compliant insurance cover for our customers.

Consequential Loss Exclusion

- Loss following another loss
- loss of revenue, loss of profit, loss of benefit, loss of reputation, loss of contract and loss of opportunity

Pollution and Seepage

- Contamination of land & water
- Bodily injury or property damage caused by pollution
- Costs of cleanup or remediation of polluted sites
- Claims arising from gradual pollution events like groundwater contamination

PFAS Exclusions

EMF Exclusions – NZ

All Liability policies

- PI
- CPL
- PL

Exclusions – Beware!

Bellrock has had significant success working with insurers to procure affordable and compliant insurance cover for our customers.

Building Products Exclusion

- Common in Aus since the Lacrosse Fire in 2014
- Broad range of exclusions – some just ACP others “all products”
- NZ – this exclusion is on its way – beware!

Asbestos

- Usually excluded but standard for environmental consultants & contractors
- Written back as needed
- Watch out for sub-limits

Mould

- Standard for consultants & contractors
- Aus – not usually excluded
- NZ – significant issue – exclusions & sub-limits

PFAS Exclusion – Example - Lloyds

Bellrock has had significant success working with Insurers to procure affordable and compliant insurance cover for our customers.

Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) exclusion no. 1

(For use on liability insurance policies)

1. This POLICY does not cover any claim for actual or **alleged** loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly **or indirectly** and **regardless of any other cause** contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with any PFAS, such as any perfluoroalkyl or polyfluoroalkyl substances for example.
2. For the purposes of this Exclusion, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor, contain, test for or in any way respond to or assess the effect of any PFAS, such as any perfluoroalkyl or polyfluoroalkyl substances for example.
3. PFAS means any organic molecule, salt, free radical or ion, the composition of which includes at least one: a. perfluorinated methyl group (-CF₃); or b. perfluorinated methylene group (-CF₂-).

Proportionate Liability

Joint & Several Liability

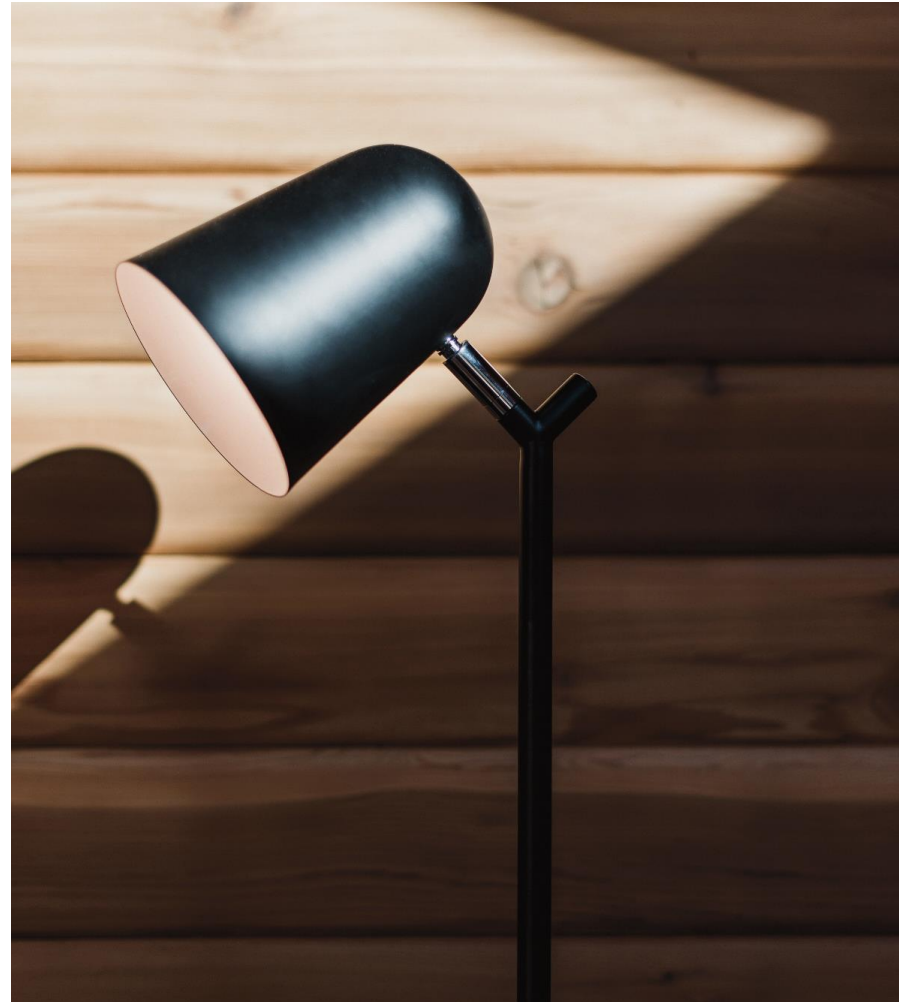
- Basic principle of common law legal systems
- Each defendant is 100% liable for the totality of the loss
- Recovery is via a cross claim against the other parties
- The system works if all parties are insured & solvent!

Aus

- Proportionate liability legislation introduced in 2002 following the collapse of HIH Insurance in 2001.
- Each state has different legislation so “contracting out” is allowed in NSW, WA, Tas
- Extensions are required

NZ

- Proportionate liability is coming in 2027
- Mandatory PI for design professionals



Contracting Market

Aus

- Contracts and risk transfer are a nightmare for all
- Government & contractor contracts are very onerous

NZ

- Less adversarial
- More mutual outcome focused
- Contractual Liability Extensions

All PI policies have a contractually assumed liability exclusion – PI insurance was designed to cover negligence not full contractual liability cover.

PI policies have evolved to include cover for contractually assumed liability:

- Indemnities, limitations of liability
- It is not full cover for any contractual liability



Risk Management Top Tip - Scope and return briefs



Scope of Works or Services

- Clear scope inclusions and exclusions
- Coordination obligations!
- Inspection obligations (qualitative v quantitative)

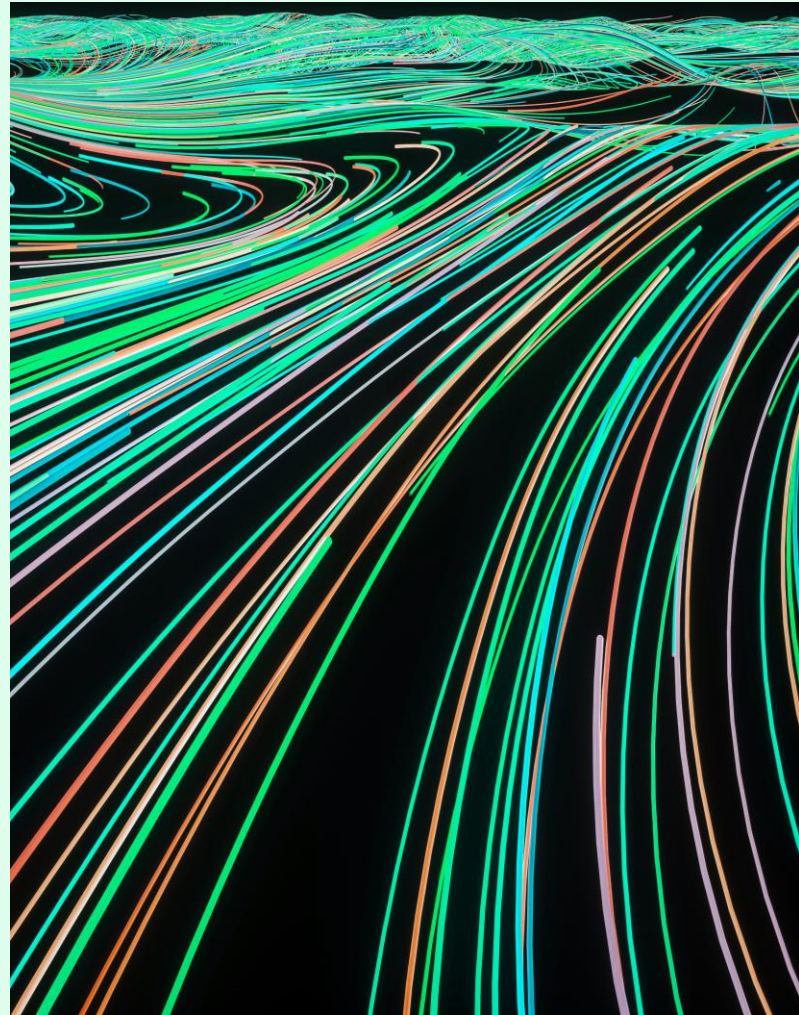


Return Brief & Excluded services

- Ensures “responsive design”
- Importance increases as detail of “client brief” decreases
- Opportunity to demonstrate/clarify understanding of client needs
- Opportunity to share “vision” or suggest improvements (including engaging additional consultants)

Risk Mitigation Tips

- Document everything – file notes
- Keep records for as long as you can – document destruction procedures
- Keep communicating with clients.
- AUS - DBP Act Design & Building Practitioners Act and Regulations (NSW) and tender pricing - price so you can adequately resource projects
- Clear scope, what won't you be doing. Clear language.
- Support advocacy and your association. Support each other.
- Contract Management – subconsultants (back-to-back contracts) and lead consultant/contractor.



Help your insurance partner help you

- Experience/CV of each Partner/Principal/Director.
- Standard Contract or Terms of Engagement used
- Risk Management procedures
- Training regime for staff
- Large project listing
- Claims – detailed summary and learnings

The more information you can provide, the better the insurer understands your risk and the better the insurance outcome

Risk Management Procedures

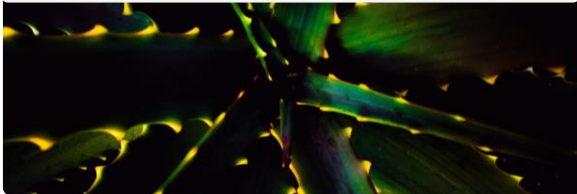
Construction risk trending articles

View the library at [→ bellrockadvisory.com](https://bellrockadvisory.com)



Silica exposure: A director's responsibilities

Directors & Officers | Accident & Health



PFAS risk: Navigating the evolving liability implications of 'forever chemicals'

Claims | Commercial Property



Key considerations for construction professionals engaging sub-consultants

Construction Professionals | PI



Discover our complimentary risk review



↑ Scan to find out more



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