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is protected by a liability cap. ICWA may subsequently limit an agency's contractual liability cover to the amount that can be recovered from the supplier. The agency

included and the amount of insurance the supplier should hold (see the [Risk Management in the Procurement Context Guideline](#) for more information on performing a risk assessment).

Liability can also extend to subcontractors engaged by the supplier. If relevant, the agency should require the supplier to take appropriate steps to ensure that subcontractors have sufficient cover under their relevant insurance policies.

Procurement templates developed by the Department of Finance or your agency (as applicable) contain standard insurance clauses. Changing these clauses may have unintended consequences, so advice should be sought from ICWA early in the procurement planning process and prior to making a request to reinstate the cover (as discussed in the section 2 above).

3.1 Insurable risks

The risk assessment process can help to determine which risks can be insured, either by the supplier or the agency. Insurable risk categories that are generally applicable to a broad range of procurement types include events that may cause:

- injury;
- property loss or damage;
- financial loss, e.g. costs and expenses to redesign; or
- other loss, e.g. breach of copyright, defamation.

There are other specialist insurances available that may be relevant depending on the nature of a procurement. Some examples of other specialist categories of risk include:

- cyber;
- property in transit;
- plant and equipment;
- contract works / material damage;
- asbestos, pollution and environmental liability;
- hazardous materials
- motor vehicle third party liability (other than risks covered under compulsory third party motor vehicle insurance); and
- aviation or maritime issues.

While the names of insurance policies are a guide to the type of insurance they provide, it is important to remember that sometimes policies with the same names cover different risks, and sometimes policies that cover the same risks have different names. Further, some insurance companies may offer combined policies covering more than one type of insurance. It is therefore always important to look beyond the name of any insurance policy and consider the risks that it actually covers. Seek advice from ICWA who will assist in identifying the correct policy to correspond with the risk to be insured.

3.2 Types of insurance

Below are descriptions of some of the common types of insurance included in government goods, services and works contracts:

(a)

the scope and coverage of any required insurances. While the concepts in the checklist may also be applicable to other types of procurements (such as works), you should consider adapting or supplementing the checklist as required. If in doubt, seek advice from your agency's subject matter experts and/or ICWA to ensure that you use a checklist that is suitable and sufficient for your process.

A certificate of currency will usually include the following information:

- the type of insurance cover;
- who the insured is;
- who the insurer is;
- the level of cover;
- the period of insurance; and
- the scope of cover (which may be limited geographically or exclude certain events).

Certificates may also include details of any extensions of cover, excesses (deductibles), indemnities, sub-limits of liability, and details of any exclusions. Depending on the nature of the procurement, it may be necessary to also check these details.

For any project-specific insurance, for example works insurance, design and construct, or insurance of specific plant or equipment, it is recommended that details of the project and the specific plant are specified in the certificate of currency, consistent with the details in the contract.

The currency of insurances should be monitored in the contract management stage. This includes periodically checking the currency and any changes in insurance cover. If an insurance policy will expire and require renewal during the term of the contract, the contract manager should ensure renewals are attended to at the appropriate time and sufficient evidence of renewal is provided before the policy expires, usually around 4 weeks before expiry.

3.5 Insurance cover extensions and exclusions

Exclusions in insurance policies are often, but not always, referred to on certificates of currency. Where exclusions are not listed on a certificate, or the detail in the certificate is insufficient to determine the scope of the exclusion, it is recommended that agencies clarify any relevant exclusions with the supplier. Agencies should ensure that there are no exclusions for any risks that should be covered under the contract or that may impact the ability to make a claim under the policy.

Likewise, if the Request requires the supplier to obtain extension(

