



Any construction risk,
anywhere in the world
We're with you from planning to completion

ajg.com.au/construction



Gallagher

Insurance | Risk Management | Consulting



End-to-end construction solutions on a global scale

In a fast-paced industry constantly on the move, Gallagher brings 40 years' experience to the conversation – strategic advice backed by innovative placement and forward thinking solutions – for Australia's next generation companies and iconic brands.

We are specialists in construction and engineering risks, from public-private partnerships (PPP) and difference in conditions (DIC) through to greenfield development and complex tunnelling projects. Whether you are a multinational company open to a new perspective or a local contractor looking for a trusted advisor, talk to us.

We are experts in risk analysis and mitigation across multiple exposures, and our consultative, consistently engaged approach ensures our clients achieve optimum protection at a competitive cost for the total lifecycle of every project.

International resources – localised solutions

As one of the world's largest insurance broking and risk management firms, Gallagher's construction team is underpinned by the ability to strategically leverage our global capacity in terms of access to capital markets, specific operational specialisms and geographical locations of works.

Gallagher operates an international network of 950+ offices in more than 45 countries, with an alliance of partners that extends to 150 countries in total. This 24-hour global reach enables us to leverage relationships with international insurance partners and quickly create unique, needs-based programs for multinationals and offshore operators that achieve claims outcomes for our clients beyond the scope of many other brokers.

950+

Offices

45+

Countries

150+

Network
partner countries

One-stop, whole of lifecycle capability



Our approach to construction risk

Gallagher recognises how critical the selection of an appropriate partner is in ensuring that the needs and objectives of construction project stakeholders are met.

Advisory team

Management of the risks associated with construction projects and contracting operations demands the skills of a team of experienced insurance professionals. We have the expertise to understand your organisation's risk exposures and successfully interact with credit providers, legal advisors, contractors and the insurance market to deliver a comprehensive and cost-effective insurance program.

Our service deliverables

Gallagher has the required competencies within our specialty construction practice team to deliver unparalleled insurance and risk management services, which include:

- specialist experience and proven success on large-scale and PPP projects
- insurance market engagement and execution strategies incorporating direct, reinsurance and wholesale markets locally and internationally
- a fully integrated, innovative approach
- construction industry knowledge to identify emerging issues, trends and alternative solutions
- claims management expertise, claims negotiation and settlement strategies
- a disciplined national and international service framework to ensure efficient, timely and stakeholder-friendly service.



Our services

Contractual review

Gallagher assists construction clients in their review and response to proposed insurance provisions imposed under contract documentation.

We work closely with organisations’ estimating and legal teams to ensure any potential issues relating to the insurance requirements are identified at bid stage, and addressed through negotiation with the counter-party, or costed appropriately.

Prior to undertaking this role, we discuss the business’s specific risk appetite to ensure that our advice matches their strategic objectives, focusing on such areas as:

- insurance requirements which cannot be complied with, i.e. where the requirement is prohibited at law or the coverage requested is not commercially available from the insurance market
- specific indemnities that fall outside the scope of an insurance program
- requirements relating to the handling of claims proceeds, which could restrict or delay ability to reinstate the works in accordance with your contractual obligations
- requirements that involve additional insurance costs, outside the normal costing models
- requirements that may prejudice policy coverage, or which may require endorsement to insurance policies
- insurance requirements that conflict with other contractual arrangements, such as differences between the requirements of the construction contract, development agreement, finance agreements, consultancy agreements and subcontracts.

Our contract review template is based on a ‘traffic light’ system, which enables easy identification of the contract insurance requirements within four categories, as below:

Insurance satisfies contractual requirement subject to policy terms, conditions and exclusions

Insurance partly satisfies contractual requirement subject to changes as recommended or confirmation of missing information

Insurance does not satisfy contractual requirement

Compliance with contractual requirement is the responsibility of the insured

Due diligence services

Gallagher can review insurance programs proposed by counter-parties, focusing on relevant insurance classes to analyse policy coverage, providing comments on the insuring clause, policy exclusions, limits and sub-limits, deductibles and conditions imposed on the insured parties.

Each of these factors is measured against the following compliance scale:

Policy complaint / acceptable

Compliance subject to modification / alteration

Policy unacceptable / not compliant

Insufficient detail available to confirm compliance

Summary reports are delivered across major compliance issues such as:

compliance of the proposed insurance program with the requirements of the contract

adequacy of the proposed policy wordings, measured against expected minimum coverage requirements and industry practice

acceptability of insurer security in terms of financial rating and experience.

Project risk profiling

A detailed project risk profiling workshop provides the basis for the design of an effective construction insurance program. This should involve participants from a business's risk management and project management teams.

Gallagher can coordinate a workshop and carry out the subsequent insurable gap analysis exercise, where the project risks identified in the workshop are categorised into insurable, uninsurable and intentionally uninsured risks.

Workshop findings also assist in determining of maximum probable loss scenarios, which provides confidence in the policy limits and sub-limits to be negotiated with insurers.

Marketing and placement

In marketing an organisation's core construction insurance classes (contract works, advance consequential loss, professional indemnity and third party liability), Gallagher approaches the insurance markets with manuscript policy wordings specifically tailored to the business and its risk objectives.

In selecting insurers, a detailed understanding of the extent of the policy coverage offered by alternative insurers should always be considered, along with the insurer's experience with the relevant construction class, financial stability, approach to claims handling and track record in meeting claims, and cost of the offering.

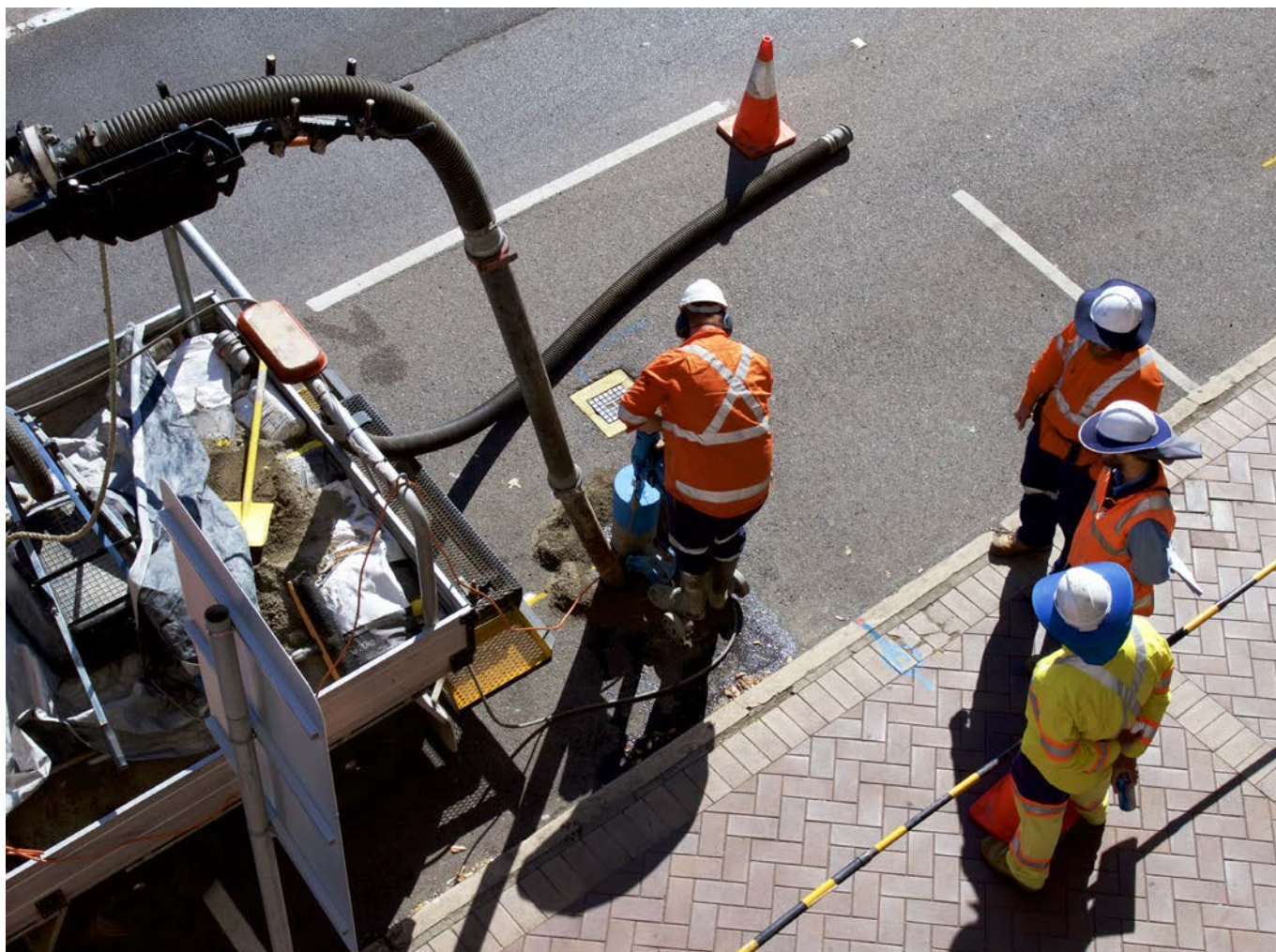
Training and engagement

Gallagher provides training to project management teams to ensure that obligations under the insurance program are understood by site personnel. This direct involvement of project staff ensures responsive and effective claims settlement.

We can also work closely with in-house legal and estimating teams to ensure the insurance program responds to contractual obligations and is appropriately costed for the life of the contract.

We believe in building a relationship between our clients and insurers to enable the delivery of risk management reviews, focusing on the areas of fire prevention, quality assurance, and health, safety and environmental considerations.





Core services

Our insurance products cover core construction insurance classes – contract works, advance consequential loss, professional indemnity and third party liability – as well as associated specialised areas of risk, such as environmental impacts, workplace safety, defective products and reputational and cyber threats.

Gallagher's construction insurance competencies include:

- risk assessment, profiling and mitigation expertise
- identification of insurable and uninsurable risks, maximum probable loss estimates and risk management strategies
- principal-controlled and contractor-controlled insurance program expertise
- traditional and alternative insurance program component options
- assistance with accessing trade credit and surety bonds
- financiers' insurance and risk due diligence expertise incorporating key issues briefings, insurance and claims/settlement provisions for financing agreements and statement of reliance wordings
- claims management, support and guidance.

Specialised services

Trade credit & surety

Gallagher can help businesses mitigate credit risk exposure by using trade credit insurance to access the risk transfer market, preserving profits and protecting liquidity and shareholder interests, and providing security to financial institutions. Surety bonds, meanwhile, provide protection for the principal of a contract against the default of the contractor and do not tie assets up as security.

Workplace risk & workers compensation

Our workplace risk and workers compensation team formulates expert projections of what the rapidly changing workplace landscape means for employers and applies new perspectives and insights to help our clients respond appropriately, develop seamless risk mitigation programs and position themselves to achieve long-term improvements in safety and productivity.

Benefit services

Gallagher can assist with structuring benefits plans that protect key human assets, and engage and incentivise employees. We identify and implement comprehensive plans to help mitigate risks such as business succession and the loss of key persons, and ensure appropriate measures are in place to provide security, certainty and control. Additionally, our experts can assist in the implementation of an employee benefits program, to help your construction business retain and attract talented and quality employees.

Civil contractors insurance

One of the least scrutinised sections of any construction contract, terms of insurance can expose contractors to liability for areas outside of their direct control. Our civil construction experts can ascertain whether any clauses impose unfair responsibility on the contractor and if they need tailored cover for particular exposures.

Contract works

This cover is designed to protect against liability for accidental damage to or theft at the construction site in the course of construction. This can extend to legal liability for paying compensation for personal injury and loss or damage, and additional benefits such as demolition and clean-up costs. Our specialists structure contract works insurance to fit our clients' needs.

Environmental impacts

Public liability insurance does not indemnify construction businesses against costs associated with environmental issues that arise from their own or their contractors' activities, including latent ground conditions or gradual contamination. This is a complex area that can incur substantial Environmental Protection Agency penalties, so specialised cover is essential.

Professional indemnity & public liability

Both of these essential insurance categories protect individuals and businesses from being held liable for damage or injury to third parties or property of any kind through accident, defects in materials used or negligence by the entity or its employees. Gallagher's applicable insurance products include combined public liability and professional indemnity cover.

Cyber threats

Sensitive information about clients and employees provides cyber criminals with tools for tricking, stealing or extorting money from individuals and organisations, or disrupting major utilities and services. To safeguard and limit the damage in terms of financial compensation, Gallagher has developed a suite of cyber protection insurance products and mitigation strategies.

Advance consequential loss

Contracts that contain clauses limiting or excluding consequential loss need to be reviewed closely by an expert, with consideration as to how they interact with the overall contractual insurance regime. Our brokers work to ensure contractors retain indemnification against losses by third parties.

Defective products

Product exclusion clauses are another instance where contract wordings are critical. Some clauses can apply to all of the materials used in a project, making the contractor liable for all damages incurred in relation to their work. Our brokers take care to make sure exclusions apply only to the smallest part that is faulty.

Reputation

Complex and changing regulatory requirements, shareholder scrutiny and the speed and reactive nature of social media mean that a single event can generate significant damage to your brand in the market and with customers. Our brokers assess a business's exposures and ensure they have the cover needed.



Claims: effective resolution is our goal

Construction is a particularly complex business, involving assumed liabilities under terms of contracts and with the actions of multiple parties and a confluence of factors contributing to loss events. These complexities dictate how an insurable claim is managed and which policy will respond. It is not uncommon for more than one class of insurance to respond to different components of the loss.

Our claims executives are aligned to local brokers and branches to ensure strong local relationships, but our claims management processes draw on the totality of our industry experience, accessing a single team of experts to get the best results for our clients. Our processes are designed to provide client advocacy when it is needed and to avoid duplicating insurer costs.

We monitor insurer performance on our clients' behalf

Regular consultation with our clients ensures they remain updated on the status of their claims in terms of mitigation and rectification costs, information required by the insurer, expert reports and the avenues of subrogation being pursued, as well as the adequacy and timeliness of insurer response.

Case study

The Gallagher claims team acts as your advocate during the claims process and works hard to ensure that every legitimate claim is successfully resolved. We have deep experience and strong relationships with insurers to help facilitate a quick resolution of your claim. We don't just sit behind desks to get our clients claims paid.

- Our client was a construction company with an annual contract works policy.
- When winds with gusts exceeding 100 kilometres per hour hit Victoria in late July 2017, they ripped the roof off a cold store under construction by our client, the principal contractor.
- Our client had been engaged to build the facility at an existing warehouse property in Melbourne, with a hard deadline for completion in time for the arrival of stock to be kept refrigerated.
- The wind penetrated under the leading edge of the roof and lifted away the PVC membrane sealant, removing approximately half of the covering.
- With the first delivery of pallets of stock scheduled in two weeks' time, the integrity of the roof structure needed to be reinstated, made watertight, fully insulated and the internal temperature of the cold store reduced to -4° Celsius.

Resolution

Under the contractor's annual contract works policy Gallagher immediately appointed a preferred loss adjuster and instigated submission of the claim for approval. The contractor quickly provided estimates for reinstatement of the damage, which were assessed as reasonable, and the approximately \$1.5 million works were approved for timely completion.

The Gallagher construction team

National and international



Roger Irvine

P: 02 9242 2035
M: 0424 005 448
E: roger.irvine@ajg.com.au

Leading teams on diverse construction projects across residential, commercial, manufacturing and industrial spaces, Roger has in-depth commercial experience combined with the ability to drive results.



Michael Walshe

P: 03 9412 1222
M: 0468 536 321
E: michael.walshe@ajg.com.au

With more than 27 years in the construction insurance industry and considerable knowledge of financial risks, Michael has a comprehensive understanding of structuring solutions for clients at all levels.

Regional expertise

ACT



Phil Hardaker

P: 02 6283 6501
M: 0419 365 895
E: phil.hardaker@ajg.com.au

Richly experienced insurance professional with more than 30 years spent servicing a range of industries – including construction – in regional and metropolitan NSW, QLD and ACT.

NSW



Peter Campbell

P: 02 8838 5771
M: 0408 963 045
E: peter.campbell@ajg.com.au

Peter has spent nearly 40 years in insurance, specialising in construction since the early 2000s. Peter is Gallagher's relationship manager to the Civil Contractors Federation NSW Branch.

NT



Damien Pile

P: 08 6228 1142
M: 0400 785 750
E: damien.pile@ajg.com.au

With more than 25 years' experience supporting the NT construction industry, Damien has great expertise in developing insurance solutions for large engineering and commercial construction businesses.

QLD



James Ewin

P: 07 3367 5213
M: 0419 185 017
E: james.ewin@ajg.com.au

James has 20-plus years of broad-based experience in general insurance at all levels. Specific areas of expertise include civil construction, transport, fuel and dangerous goods, hire and rental, waste management.

SA



Kevin Loader

P: 08 8172 8120
M: 0411 596 303
E: kevin.loader@ajg.com.au

Kevin has close to five decades of experience in the insurance industry. With extensive experience in the construction industry, Kevin has worked with construction firms of all sizes to ensure they have the right insurance and risk management advice.

TAS



Dan Quintin

P: 03 6235 1241
M: 0418 268 409
E: daniel.quintin@ajg.com.au

An insurance veteran with over 20 years' experience, Dan gained experience working in the London and Sydney markets before relocating to Hobart in 2015, and is Gallagher's local point of contact for CCF members.

WA



James Healy

P: 08 6250 8368
M: 0428 549 830
E: james.healy@ajg.com.au

With more than 24 years of broking in international markets and expertise in alternative risk transfer and management, James specialises in program design, placement and service delivery for large organisations.

VIC



Sue-Enda O'Brien

P: 03 9412 1151
M: 0466 931 636
E: sue.obrien@ajg.com.au

An experienced insurance professional dedicated to effective client liaison, Sue works closely with leading national and global organisations to ensure their people, revenue and assets are protected.

Gallagher specialist teams



Racheal Tumelty

*National Head of Credit,
Surety & Political Risk*

P: 08 6250 8447

M: 0400 116 196

E: racheal.tumelty@ajg.com.au

Racheal has been involved in the credit, surety & political risk insurance sector for almost 30 years, both in the UK and Australia. She has extensive experience in structuring innovative trade finance solutions for corporate entities, financial institutions, mining companies and private equity firms for exposures in Australia, New Zealand and the developing world.



Vivienne Toll

National Head of Workplace Risk

P: 02 9242 2084

M: 0466 429 224

E: vivienne.toll@ajg.com.au

With more than 15 years within the personal injury and occupational health and safety fields, Vivienne has significant experience in reducing workplace injury and improving premium performance. She has managed large national and single state client portfolios as well as a national workers' compensation consulting practice.

Why Gallagher?

Gallagher has been a provider of construction sector services for 40 years. Through our established relationships with international industry partners we have built a network of resources that provides competitive capacity. We also leverage our relationships with insurance providers to deliver the best fit in appropriate insurance programmes.

Our advice is based on in-depth knowledge of the needs and challenges of the construction industry. We are experts at identifying risk mitigation strategies and have a strong track record of developing insurance solutions for businesses of all sizes and various areas of operations.

We deliver a complete whole-of-lifecycle service offering: we are consultative, analytical, creative, supportive and well connected. Protecting your business from any insurable event is our primary and consistent focus, and we undertake to continuously review and update our clients' expanding needs as they evolve, and to support them through the claims process as required.

The Gallagher Difference

A client-led
approach

A values-led
culture

We'll fight for
what's right

Creating
tomorrow's
solutions,
today

Who we are

Gallagher is one of Australia's – and the world's – largest insurance broking and risk management companies. We're the broker of choice for more than 100,000 Australian businesses – from micro-SMEs through to multinational corporations and iconic brands.

With 30+ regional and metropolitan branches across Australia, we understand local business communities because we're part of them ourselves.

Globally, the Gallagher network of 950+ offices in over 45 countries enables us to leverage relationships with international insurance partners to create programs that achieve claims outcomes beyond the scope of many other brokers.

We're an ethical business, and proud of it

Gallagher has been recognised as one of the World's Most Ethical Companies by the Ethisphere Institute, a global arbiter of ethical business practice, since 2012, the only insurance broker in the world to achieve this distinction.

This recognition underscores Gallagher's unwavering commitment to ethical business practices and is validation that our enduring core values and corporate culture are true differentiators and provide a competitive advantage in the marketplace.

Regional presence

In Australia, we understand local business communities because we're part of them ourselves. From Alice Springs and Ballarat to Wagga Wagga and Warragul, we are present in every state and territory. Our network of 30+ branches across regional and metropolitan business hubs affords us a local perspective backed by international connections to help achieve optimum outcomes for our clients.

In New Zealand we have 20+ offices covering the major centres as well as the key regions in both the North and South Islands.

GLOBALLY

100+
insurance and risk
management solutions

1987
NYSE listed

#435
Fortune 500 company in 2019

950+
offices in more than 45 countries
150 network partner countries

AUSTRALIA

100,000+
Clients

30+
Metro and regional locations

1000+
Professionals

GLOBAL REACH

Asia
Australia

Canada
Caribbean

New Zealand
South America

UK
USA



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