



Transnet Procedure Manual  
Contract Works / Contractors Public Liability  
Principal Controlled Insurance  
2010 /2011



## Summary of Cover

Contractors Public Liability Insurance

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## 2. Contractors Public Liability Insurance

### Insured Contracts

- All contracts up to a maximum value of R100,000,000 (**Inclusive of VAT**) any one contract.
- Limited to a maximum contract period of 36 months followed by a maximum Defects Liability / Maintenance period of 12 months.

### Synopsis of Cover

Legal Liability to pay as compensation for and in consequence of:

- Accidental death of or injury to or illness or disease contracted by any person.
- Accidental loss of / or physical damage to tangible property.

Occurring during the period of insurance and arising out of or in connection with the performance of the Insured Contract(s).

- **First Party Property\*** Extension will apply to the Lateral Support policy extensions.

\* **Note:** Coverage for the insured's personal and real property.

### Type Of Contract

All Contracts undertaken including:-

- Chemical Vegetation Control
- Vegetation Rehabilitation
- Ballast Tamping
- Rail Track Re-profiling including the contract works
- Burning of Fire Breaks
- Geotechnical and Exploratory Works

### **N.B.**

The above noted contract types attract specific differentiated rates and are insured by way of a separate policy.

## Limits Of Indemnity

Contractors Public Liability	R10,000,000 any one occurrence / unlimited for the Period of Insurance
Removal of Lateral Support	R25,000,000 unlimited for the Period of Insurance (provided on request only)
Statutory Legal Defence Costs	R500,000 any one occurrence
Arrest / Assault / Defamation	R500,000 any one occurrence
Emergency Medical Expenses	R500,000 any one occurrence
Prevention of Access	R500,000 any one occurrence
Trespass / Nuisance	R500,000 any one occurrence
Claims Preparation Costs	R500,000 any one occurrence

## Deductibles

The deductible (excess) is the amount which the Contractor and/or Sub-Contractor is responsible for and this obligation must be reflected in the Tender and/or Contract Documents and the responsibility for same made clear.

The deductibles apply to each and every occurrence and in respect of all Contracts.

The deductibles are:

Loss of or damage to public utilities	R25,000
Spread of fire	R250,000
Spread of fire – track re-profiling	R250,000
Loss of or damage to any other property	R25,000
Loss of or damage arising from removal of lateral support	R25,000
Loss of or damage arising from the burning of fire breaks	R250,000
Loss of or damage arising out of vegetation control including but not limited to the use of pesticides and or herbicides	R250,000

## Main Exceptions

- The amount of the policy deductible.
- Death or injury to own employees.
- Motor vehicle liabilities under legislation or as defined in Multi-lateral Motor Vehicles Accident Fund No. 93 of 1989 as amended.
- Claims in connection with ownership or use of aircraft or watercraft.
- Property belonging to the Insured or in his care custody and control (as defined in the Policy).
- Property forming part of Contract Works.
- Liquidated damages or penalties for delays or in respect of performance or efficiency guarantees.
- Liability arising out of defects in workmanship materials design plan or specification in any part of the Property insured.
- Arising from or in connection with design plan or specification.
- Gradual pollution and contamination.
- Sudden unintended and unforeseen seepage, pollution or contamination including the cost of removing, nullifying or cleaning up in respect of both ocean and harbour going watercraft outside of dry dock.
- After completion and handover (inclusive of the contractual Defects / Maintenance period).
- Punitive damages.
- Ownership hiring or leasing of any airport or airstrip.
- War, asbestos and nuclear risks.

## Cover Limitations / Warranties

### Rail Track Re-Profiling

- The maximum speed of any grinding unit shall not exceed 11.00km per hour.
- All Guards, Curtains, Spark Deflectors are to be in place and correctly positioned prior to the commencement of each grind.
- Maximum grinding distance in any one execution shall not exceed 10,000 metres.
- Any changes in prevailing weather conditions must be recorded and appropriate remedial action taken.
- The Insured Parties are to comply with all Fire Fighting requirements as set out in the Project Specification For Track Maintenance With An On Track Grinding / Profiling Machine and any amendments / deviations to this Project Specification are to be advised to the Insurer prior to work being undertaken.

**NB:** Failure to thoroughly pre-plan and document the safety measures to be adopted with specific regards to the incidence of fires being initiated during the execution of the work will invalidate indemnity provided in respect of fire arising out of track re-profiling works.

- It is essential that this requirement is brought to the attention of Contractor's. Where this restriction is not practical, specific arrangements for cover can be made with underwriters. They will, however, require detailed underwriting information and an additional premium may be charged.

## Other Limitations

- Indemnity for removal of lateral support is limited to R25,000,000.  
If a higher limit of indemnity is required, the Employers Insurance Broker's personnel needs to be advised and underwriting information will need to be provided in advance (i.e prior to Tender stage) and this will entail an additional premium.

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