

CONSTRUCTION // PRODUCT PROFILE // AUSTRALIA

Construction industry insurance

Tailored insurance solutions for complex risks

The Australian construction industry is undergoing a rapid increase in complexity. Today's projects face challenges including global supply chains, new technologies, regulatory pressures, increasing numbers of stakeholders (sometimes with conflicting interests and in different time zones) and often tightly planned budgets and time frames with little margin for error.

At Liberty Specialty Markets (Liberty), we work with construction clients and their brokers every day to manage these risk exposures and build resilience.

For 25 years we've insured and managed claims for many of the largest and most complicated construction projects in Australia. Liberty is interested in being an insurance partner, rather than an insurance supplier. We set ourselves up to work with clients over the long-term and bring the capacity, technical skill and local authority required to lead on cover.





Infrastructure and construction industry insights

Collaboration to meet opportunities and face challenges. Together.

Despite global instability, significant growth is forecast

High inflation rates, supply chain disruption, skyrocketing project costs and delays, a growing number of insolvencies, the national skills shortage¹ and stress-related mental health issues² are rocking the foundations of the industry.

Despite the current challenges, investment in Australian infrastructure and construction is increasing, and is forecast to grow over the next 10 years³. Exposure of construction risk is evolving – these changes create opportunities and challenges to profitability and the ability to deliver projects on time and on budget.

Collaboration is essential for sustainable growth, managing dependencies and evolving risk exposure

It's vital to understand a client's critical path, their pain-points and the costs they're incurring. At the start of a project, collaboration with brokers and clients involves understanding:

- ▶ risk exposure
- ▶ contractor expertise
- ▶ business continuity plans
- ▶ construction methodology
- ▶ emergency response procedures
- ▶ approach to loss mitigation

To grow sustainably, the industry needs to invest significant capital into its digital infrastructure and capabilities to catch up with other advanced economies. The shift towards generative AI and cloud computing platforms presents increased cyber risk, and privacy and data security risk exposure.

The Australian Government has committed to the reduction of emissions by 43 per cent below 2005 levels by 2030 and to the achievement of net zero emissions by 2050. This changes the regulatory landscape, bringing renewables gradually to the fore. Being more vulnerable to natural perils such as wind, flood, and hail, as well as attritional risk exposure, renewable risk exposure presents differently to many of the risks associated with conventional erection risks of power projects such as fire and explosion¹.

Working with brokers to manage transition and maintain resilience

Providing protection for the unexpected and delivered with care

As a leading insurer, Liberty understands that addressing today's challenges and realising tomorrow's opportunities requires collaboration. We take a long-standing view and are wholly devoted to our policyholders and partners. We prosper together by unlocking opportunities which deliver shared success – we call it “for mutual advantage”.

Within the Australian insurance industry, Liberty is recognised and awarded for:

- ▶ Our knowledge and expertise
- ▶ Delivering excellence in account management
- ▶ Practical and effective solutions
- ▶ Our appetite and underwriting flexibility
- ▶ Understanding clients' businesses
- ▶ Our responsiveness
- ▶ Paying claims fairly and dependably
- ▶ Empowered local authority
- ▶ Building strong relationships



Because we're a mutual, we're able to focus on delivering benefits to our policyholders and brokers, without shareholder conflict.

Being a mutual allows us a unique perspective, helps us make better decisions, deliver innovative solutions, and pursue our goals to benefit our partners – helping them protect what they earn, build and own.





Insurance is only as strong as the response it provides

Reducing your risk exposure – with risk engineering and our claims promise

Every construction project we underwrite is assessed by our in-house risk engineer

Our highly qualified risk engineers have years of experience in both insurance and industry. They not only assist us to understand clients' risk exposure when developing a tailored product for them, they also conduct site surveys to meet clients on home turf and gain a clear insight into the complexities of their business operations and associated exposures.

Our risk engineers cast 'fresh eyes' over the operations and make practical, and often innovative suggestions for reducing risk and minimising loss.

Claims is at the heart of what we do

This is when the combination of underwriting knowledge, risk engineering expertise and claims management should shine, supported by a policy that has been tailored by an insurer that has partnered with you to ensure they have a deep understanding of your business.

Navigating the contractual maze

We understand the complexity of contractual obligations within contracts and can improve claims outcomes through our technical understanding, helping clients navigate the claims contractual maze.

Our claims promise

We understand that every business is as individual as its insurance needs, and our approach is personal. All claimants are treated with respect, given full transparency, and are supported and guided throughout their claim journey.

We pride ourselves on providing a service you can rely on. Our integrated claims service is built on a simple principle: we aim to deliver value by supporting clients at every stage of the relationship.



We act decisively

Clients work with empowered local experts who access world-class tools and services globally



We work together as a team

Our teams are wholly integrated to ensure that we provide value at all stages of the relationship



We pay fairly & dependably

As a company that does the right thing, we have a proven reputation for paying claims fairly and dependably

Business appetite, capacity and in-depth understanding

We understand the diverse insurance needs involved in infrastructure and construction – the construction itself, the people, the transport of critical cargo, delay in start-up, and the environment – and our cross-lines approach coupled with our industry knowledge satisfies the complexities of those needs.

We provide comprehensive cover – especially multi-product solutions – for large complex projects and smaller, less involved projects and have an in-depth understanding of the financial implications of projects' delay in start-up. Additionally, we can write individual projects and annual policies for principals, contractors and project managers.

Substantial experience insuring infrastructure and construction across a spectrum of high-end projects

- ▶ Roads, tunnels, rail and bridges
- ▶ Desalination plants, waste and water treatment
- ▶ Pulp and paper mills
- ▶ On and offshore pipelines
- ▶ Airports and ports
- ▶ Renewable energy
- ▶ Power stations, utilities and transmission
- ▶ Cement plants
- ▶ Oil, gas, petrochemical/chemical plant, refineries
- ▶ Hotels and casinos
- ▶ Metal and mineral processing plant, mine infrastructure
- ▶ Hospitals and prisons
- ▶ Bulk storage terminals
- ▶ Manufacturing facilities
- ▶ Telecommunications
- ▶ Government (all levels) construction and infrastructure





We understand and can arrange insurance for multiple delivery methods of construction projects, from principal controlled, to subcontractors and everything in between.

Construction insurance categories



Professional & Financial Lines

- ▶ Professional Indemnity
 - > Construction Consultants
 - > Design & Construct Contractors
 - > Construction Projects
 - > Principal Controlled



Property

- ▶ Construction
 - > Material Damage and Delay in Start-Up
 - > Annual Contract Works



Casualty

- ▶ Environmental Impairment Liability
 - > Contractor's Pollution Liability
 - > Fixed-site Pollution Liability
- ▶ Primary, Umbrella and Excess Liability
 - > Project Specific Construction Liability
 - > Annual Construction Liability



Surety

- ▶ Freeing up companies' working capital by replacing their bank guarantee facilities:
 - > Performance bonds
 - > Advance payment bonds
 - > Maintenance and DLP bonds
 - > Retention bonds



Marine

- ▶ Project Cargo and Marine Delay in Start-Up



Weather Index

- ▶ Construction Delay



Accident & Health

- ▶ Group Personal Accident & Sickness

Useful videos, animations and brochures

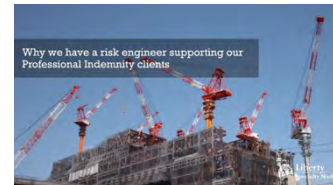


Trends in construction claims – video

Presenter:

Samantha Thorndike, Senior Claims Specialist & Technical Lead.

Duration: 2min & 56sec



Why Liberty has a risk engineer in Australia

supporting our Professional Indemnity clients – video

Presenter:

Tim Bugg, Assistant Vice President, Risk Engineer, Professional & Financial Risks.

Duration: 1min & 44sec



Environmental Impairment Liability – construction site animation

Companies and industries of all shapes and sizes experience pollution incidents.

Duration: 40sec



Weather risk: Construction Delay – fact sheet

Protection for the Australian construction industry against excess temperature, wind and rainfall.



Group Personal Accident & Sickness – animation

Protection against financial loss due to sickness or accidental death/disablement through injury.

Duration: 2min & 26sec



What are Surety bonds? – fact sheet

Different to other insurance products, surety bonds are unconditional, on-demand instruments.



Taking the lead in Building Australia – article

Currently the lead insurer on more than half of our construction projects, Liberty plays a key role in supporting business and governments to write the story of Australia's development.



Insuring Australia's Energy Transition – article

Liberty is invested in supporting Australia's energy transition, and our 25 years of experience in the region is helping us act in a considered way.

Useful product and risk management insights



Subrogation recovery action helps client recover large uninsured loss – video

At Liberty, we understand that better recoveries lessen the impact to the insured's claims profile and assists to keep premiums at manageable levels.

Duration: 1min & 48sec



PFAS Forever Chemicals – risk engineering guide

The emergence and impact of forever chemicals present a major concern to the insurance industry.



Excess Workers Compensation – employer's liability for acts of terrorism endorsement – fact sheet

We offer policy coverage to employers who choose to self-insure their workers compensation liability under relevant Australian state or territory legislation or under Commonwealth legislation.



Shipping project cargo on container vessels – guide

Container vessels are a popular choice of transport method for businesses transporting project cargo – equipment that's over-dimensioned, heavy, high-value or project critical.



Liberty Weather Monitor – May 2024 newsletter

Changing weather patterns are leading many Australian businesses to protect their earnings through parametric insurance solutions.



What is Environmental Impairment Liability? – podcast

Listen to a podcast about the common misconceptions and opportunities associated with Environmental Impairment Liability.

Duration: 15 minutes



Cyber insurance: the game of cat and mouse – video

Presenter: David Gallagher Portfolio Manager IT Liability and Cyber.

Duration: 2min & 43sec



Cyber security: managed service providers – white paper

As business systems and operations increasingly move into digital environments, the use of a third party can create additional points of entry that an adversary can exploit to gain access to an organisation's data.

Useful links to contacts, collateral and web pages



Contact a team member

- ▶ Casualty
 - > Environmental Impairment Liability
 - > Excess
 - > Primary Liability
- ▶ Property
 - > Construction
- ▶ Professional & Financial Lines
 - > Design & Construction Professional Indemnity
- ▶ Marine
- ▶ Surety
- ▶ Weather Index
- ▶ Accident & Health
- ▶ All Construction & Infrastructure



Appetite guides

- ▶ Casualty
- ▶ Energy, Property & Construction
- ▶ Financial Institutions
- ▶ Marine
- ▶ Professional Indemnity
- ▶ Crisis Management
- ▶ Environmental Impairment Liability
- ▶ IT Liability
- ▶ Professional & Financial Risks
- ▶ Surety



Product web pages

- ▶ Infrastructure & Construction
- ▶ Casualty
- ▶ Marine
- ▶ Professional & Financial Risks
- ▶ Property
- ▶ Surety
- ▶ Weather Index
- ▶ Accident & Health



Client facing

- ▶ Construction product profile



About Liberty

- ▶ Our financial strength
- ▶ In the community
- ▶ Visit our website
- ▶ NIBA Survey Results

Keynotes:

1. 2023 Corporate Plan: Infrastructure Australia 2023-24 to 2026-27, Infrastructure Australia Government
2. 2024 Black Dog Institute turns to construction workers to address mental health support, Black Dog Institute
3. 2024 Future of Construction in Australia, Oxford Economics

Global reach. Financial Strength. Local authority.

Distinct, complex and constantly evolving – every business is as unique as its insurance needs. To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty Specialty Markets offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 26,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build and own.

We're part of the global Liberty Mutual Group, a Fortune 100 company that's been in business since 1912 with a Standard and Poor's 'A' rating.

 [View our office locations](#)

 [Meet the Infrastructure & Construction team](#)



Connect and join the
Liberty conversation

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AP0904-05-25

