



Home Office

AUTHORITY: The Secretary of State for the Home Department

## **Schedule A – Insurances**

### **Colnbrook & Harmondsworth IRCs**

## DOCUMENT LIST

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## INSURANCES

The insurances in this Schedule A shall be maintained by the Service Provider in accordance with Clause 5 of the Contract.

All insurances shall be in the joint names of the Authority (except Employer's Liability and Directors' and Officers' Liability) and the Service Provider for their respective rights and interests.

### PART 1 - INSURANCE REQUIRED FROM COMMENCEMENT DATE

#### 1. MATERIAL DAMAGE ALL RISKS

Cover:	All risks of loss or damage to the Property Insured from any cause not excluded and including machinery breakdown and computer breakdown cover in respect of appropriate equipment.
Insured Parties:	<ol style="list-style-type: none"><li>1) The Authority;</li><li>2) The Service Provider;</li><li>3) Sub-contractors;</li><li>4) Sub-contractors and suppliers (for site activities only) of any tier and servants or agents acting on their behalf;</li><li>5) Consultants to 1, 2 and 3 above (for site activities only).</li></ol>
Property Insured:	All real and personal property used for or in connection with the ownership, maintenance and operation of the Removal Centre.
Sum Insured:	<p>An amount sufficient to pay claims on a full reinstatement value basis as approved by the Authority (such approval not to be unreasonably withheld) plus provision to cater for Cover Features and Extensions as appropriate.</p> <p>Day 1 basis with inflation allowance adequate to meet inflation rate applicable at the time.</p>
Maximum Deductible	<redacted> each and every claim, combined with Business Interruption.
Period of Insurance:	From the Commencement Date for the duration of the Contract Term and renewable on an annual basis unless agreed otherwise by the Parties.

Cover Features and Extensions:	Replacement/reinstatement basis of claims settlement with cash at reinstatement value at the option of the Authority in the event of contractual non-reinstatement. Architects' and surveyor's fees. Debris removal costs. Additional costs of complying with public authority requirements. Cost of labour and computer time expended in reproducing documents or computer records, including accidental or malicious erasure. Automatic reinstatement of sum insured. Full value terrorism. Construction/refurbishment all risks for works up to <redacted> 72 hour clause.
Principal Exclusions:	War and civil war. Radioactive contamination. Deliberate acts or omissions of the Insured. Unexplained shortages or mysterious disappearance. The cost of making good wear and tear, gradual deterioration, rust, etc gradually developing defects, flaws, deformation, distortion, cracks or partial fractures, defects in design, materials or workmanship but this shall not exclude subsequent damage resulting from an ensuing cause which is not otherwise excluded. Consequential (financial) losses, loss of revenue, loss of use, etc. Sonic boom. Loss of or damage to vehicles licensed for road use, marine vessels or aircraft. Fidelity losses.

## 2. LOSS OF REVENUE (BUSINESS INTERRUPTION)

Indemnity:	<ol style="list-style-type: none"><li>1) If any of the Property Insured under the Material Damage All Risks policy above is lost, destroyed or damaged by any of the risks insured there under and the operations carried on by the Service Provider are in consequence thereof interrupted or interfered with, then this insurance will indemnify the Insured in respect of loss of gross revenue.</li><li>2) The economic additional expenditure necessarily and reasonably incurred for the purpose of avoiding or reducing the loss of gross revenue of the Service Provider which without such expenditure would have taken place during the Indemnity Period.</li></ol>
Sum Insured	An amount representing Revenue anticipated during the Indemnity Period as detailed below.

Indemnity Period:	As a minimum the time taken to reinstate the Removal Centre following a total loss to full operational running including for the avoidance of doubt the time to clear debris, prepare the Site and prepare revised work plans.
Deductible:	Refer to Material damage above
Cover Features and Extensions:	Denial of access (not limited to damage). Additional increased cost of working <redacted> limit. Suppliers extension. Infectious diseases. Loss of utilities. Full value terrorism.  Accountants clause.  Automatic reinstatement of the sum insured.  Exclusions under the Material Damage All Risks Insurance other than consequential financial losses.
Principal Exclusions:	Delayed response by a public body or state authority in excess of 90 days.

### 3. THIRD PARTY LIABILITY (INCLUDING PRODUCTS LIABILITY)

Cover:	Legal liability of the Insured to pay (including claimants' costs and expenses) as damages in respect of: <ul style="list-style-type: none"><li>a) death or bodily injury to or illness or disease contracted by any person including but not limited to Detainees detained by the Insured;</li><li>b) wrongful imprisonment or mental anguish of any person and infringements of a person's rights including but not limited to Detainees detained by the Insured;</li><li>c) loss of or damage to property;</li><li>d) interference to property or any easement, right of air, light, water or way or the enjoyment or use thereof by obstruction, trespass, loss of amenities, nuisance or any like cause,</li></ul> happening during the Period of Insurance and arising out of or in connection with the Project.
Period of Insurance:	From the Commencement Date for the duration of the Contract Term and renewable on an annual basis unless agreed otherwise by the Parties.

Minimum Limit:	<redacted> in respect of any one occurrence, the number of occurrences being unlimited, but in the annual aggregate in respect of pollution and products liability.
Maximum Deductible:	<redacted> each and every occurrence of property damage (personal injury claims to be paid in full).
Cover Features and Extensions:	Cross liabilities; Contractual liability; Costs in addition to the limit (other than North America); Worldwide jurisdiction.
Principal Exclusions:	Insured's own employees; Fines, penalties, punitive and exemplary damages; Liquidated damages; Medical malpractice; War, invasion, acts of foreign enemies, hostilities (whether declared or not), civil war, rebellion, revolution, insurrection of military or usurped power; Seepage, pollution or contamination unless caused by a sudden, unintended and unexpected happening; Watercraft exceeding 10 metres in length; Aircraft; Professional indemnity; Nuclear risks.

#### 4. EMPLOYER'S LIABILITY

Cover:	In a form complying with current legislation incorporating a waiver of subrogation for the benefit of the Authority.
Limit:	<redacted> each and every claim,
Deductible:	Nil.

#### 5. MOTOR

Cover:	In a form complying with current legislation.
Limit:	Unlimited.

#### 6. DIRECTORS AND OFFICERS LIABILITY

Cover:	Directors' and Officers' Liability and Company Reimbursement
Limit:	<redacted> or equivalent in other currencies.

## PART 2 - FORM OF BROKERS' LETTER OF UNDERTAKING

(To the Authority)

Dear Sirs,

We confirm that the insurances (the "**Insurances**") are in effect on and in respect of the risks set out in the attached cover notes as at the date hereof. Terms defined in the Contract for the provision of operation, management and maintenance services entered into between MITIE Care and Custody Limited and Her Majesty's Principal Secretary of State for the Home Department on *11 February 2014* (the "Contract") shall have the same meaning in this letter.

Pursuant to instructions received from the Service Provider and in consideration of your approving our appointment or continuing appointment as brokers in connection with the insurances covered by this letter, we hereby undertake in respect of the interests of the insured Parties and the Authority in the insurances referred to in the attached cover notes, binder or certificate from [*the insurers/us*]:

1. to use our reasonable endeavours to incept each policy substantially in the forms detailed in Schedule A to the Contract and to have each endorsed substantially in the forms attached hereto and to notify you promptly where we fail to do so;
2.
  - (i) to advise you promptly upon receipt of notice of any material changes, which we know to be material notification to us, which are proposed to be made in the terms of the Insurances and which, if effected, would result in any material reduction in limits or coverage (including those resulting from extensions) or in any increase in deductibles, exclusions or exceptions,
  - (ii) to notify you at least 90 days prior to the expiry of these Insurances if we have not received instructions from the Service Provider to negotiate renewal, and, in the event of our receiving instructions to renew, to advise you promptly of the details thereof, and
  - (iii) to notify you at least 90 days prior to ceasing to act as brokers to the Service Provider (unless owing to circumstances beyond our control we cannot give such notice in which case we shall notify you promptly upon becoming aware that we shall cease, or that we have ceased, so to act);
3. to advise you without unreasonable delay:
  - (a) if any insurer cancels or gives notice of cancellation of any of the Insurances and in any event at least 90 days before such cancellation is to take effect (unless owing to circumstances beyond our control we are unable to do so in which case we shall notify you promptly upon becoming aware of such cancellation or notice of cancellation);
  - (b) of any act of omission or of any event of which we have knowledge and which might reasonably be foreseen as invalidating or rendering unenforceable in whole or in part the Insurances; and
  - (c) of any claim under any of the Insurance notified to us (and to advise the Service Provider of any such claim);
4. to disclose to the insurers (in confidence) and to you any fact, change of circumstance or occurrence which we know to be material to the risks insured against under the Insurances promptly when we become aware of such fact, change of circumstance or occurrence (always providing that the foregoing shall not act to vary

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or displace the duty of disclosure of the insured Parties);

5. to hold the insurance slips or contracts for the relevant Insurances (the “**Policies**”) with any renewal thereof or any new or substitute Policies (in each case, issued only with your consent), to the extent held by us;
6. forthwith to notify you and any other nominated broker of whom we are aware who is placing insurance in respect of the Contract of any matters which come to our attention and which could reasonably be expected to be material in the context of the other policies required to be maintained under the Contract conditions.

The above undertakings are given:

- (a) subject to our lien on the Policies referred to above for premiums due under the Policies and subject to any insurers’ right of cancellation (if any) following default in excess of 30 days in payment of such premiums, but we undertake to advise you as soon as practicable if any such premiums are not paid to us by the due date and to give you reasonable opportunity of paying such amounts of such premiums outstanding before notification of cancellation on behalf of the insurers; and
- (b) subject to our continuing appointment for the time being as insurance brokers to the Service Provider (such appointment continuing in any event until the expiry of the relevant claims period).
- (c) subject to our aggregate liability to any persons companies or organisation who acts in reliance on this letter in respect of the Required Insurances for this Project, for any and all matters arising from them and the contents thereof shall in any and all events be limited to the sum of **<redacted>** even if we are negligent. We do not limit liability for our fraud.

This letter shall be governed by and construed in all respects in accordance with English law.

Yours faithfully

Aon UK Limited

Attachment:      Endorsements

## ENDORSEMENT 1.

### 1.1 Cancellation Clause

The Insurer shall advise the Insured:

- a) at least 90 days before any cancellation (excluding in respect of non-payment of premium, where at least 30 days' notice must be given);
- b) at least 90 days' (or such lesser period (if any) as may be specified from time to time by Insurers in the case of war risks and kindred perils) before any reduction in limits or coverage; any increase in deductibles or any termination before the original expiry date is to take effect;
- c) of any act or omission or of any event of which the Insurer has knowledge and which might invalidate or render unenforceable in whole or in part any insurance.

## ENDORSEMENT 2.

### 2.1 The Insured

Each of the Parties comprising the Insured shall for the purpose of this Policy be considered a separate entity with the words “the Insured” applying to each as if they were separately and individually insured PROVIDED THAT the total liability of the Insurers under each section of this Policy to the Insured collectively shall not (unless the Policy specifically permits otherwise) exceed the Limit of Indemnity stated to be insured thereby.

Accordingly the liability of the Insurers under this Policy to any one of the Insured shall not be conditional upon the due observance and fulfilment by any other Insured of the terms of this Policy and of any duties imposed upon it relating thereto and shall not be affected by any failure in such observance of fulfilment by other such Insured.

## ENDORSEMENT 3.

### 3.1 Communications

All notices or other communications under or in connection with this Policy shall be given to all insured Parties in writing, and by hand or by facsimile. Any such notice will be deemed to be given as follows:

- a) if by hand, when delivered; and
- b) if by facsimile, when transmitted but only if, immediately after the transmission, the sender's facsimile machine records the correct answer back.

The address and facsimile number of the Authority for all notices under or in connection with this Policy are those notified from time to time by the Authority for this purpose to the Service Provider's Insurance Broker at the relevant time. The initial address and facsimile number of the Authority are as follows:

The Authority:

Address: Home Office  
Commercial Directorate  
2nd Floor, Bedford Point  
35 Dingwall Road  
Croydon  
CR9 2EF

Attention: Deputy Director Commercial

It is further agreed that a notice of claim given by the Authority or any other insured shall in the absence of any manifest error be accepted by the insurer as a valid notification of a claim.

## ENDORSEMENT 4.

### 4.1 Waiver of Subrogation and Cross Liability

It is agreed that the relevant underwriters and Insurers shall waive any rights of subrogation against all insured Parties (including any other insurance policies in force on their behalf) including the Secretary of State for the Home Department and his/her assignees and successors and any other agency or government body or department which has responsibility for immigration removal centres their assigns agents officers directors employees and servants (whenever acting in the capacity as such).

Further in respect of the liability of one insured to another, each Insured shall be entitled under the third party liability insurance to be indemnified in respect of claims made by any other Insured PROVIDED THAT the limit of indemnity is not exceeded and FURTHER PROVIDED THAT this endorsement shall not apply where such rights are acquired in consequence of fraud.

### 5.1 Claims Negotiation Rights

Notwithstanding any claim conditions contained herein, the Insurers agree that the Authority has the right to settle and negotiate any claims received from third Parties subject to prior consultation with the Service Provider and Insurers on any claim exceeding <redacted> and provided that, where the exercise of this right by the Authority results in a settlement in excess of that which would otherwise have been payable in respect of any such claim, the Authority shall not be entitled to any indemnity from Insurers to the extent of such excess.

Notice of claim by the Authority and any other party entitled to indemnity under this Policy shall in the absence of manifest error be accepted by Insurers as a valid claim subject to the full terms of the Policy.

**6.1** Form of Loss Payee Clause applicable to Material Damage 'All Risks'.

All proceeds of these Insurances shall be payable without deduction or set-off to the account entitled 'Insurance Account' in the joint names of the Authority and the Service Provider, number [*to be advised*] with a Bank [*to be advised*] at an office location [*to be advised*].

#### 7.1 Primary Insurance

It is expressly understood and agreed that this Policy provides primary cover for the Insured and that in the event of loss damage or liability covered by this Policy which is also covered either in whole or in part under any other policy or policies of insurance effected by or on behalf of any of the Parties comprising the Insured, the Insurers will indemnify the Insured as if such other policy or policies of insurance were not in force and the Insurers waive their rights of recourse (if any) against the insurers of other such policy or policies of insurance.



**8.1** Riotous Assemblies (Scotland) Act 1822 or the Riot (Damages) Act 1886

The Insurers agree to waive any right they may have (as subrogee or otherwise) to bring any claim under the Riotous Assemblies (Scotland) Act 1822 or the Riot (Damages) Act 1886 in respect of:

(i) any damage to; or

(ii) any monies paid for or in respect of

the Removal Centre, the site or any Assets.

This waiver is binding upon each of the Insurer's successors and permitted assigns and is expressly provided for the benefit of any Police and Crime Commissioner in the United Kingdom and the statutory successors of any such Police and Crime Commissioner, each of which may enforce such waiver against the Insurers and/or their successors and permitted assigns (as appropriate).