



Defence  
Infrastructure  
Organisation

## **Call-Off Schedule 11c**

## **Insurance Requirements**

## **Built Estate**

**REF: RM6089**

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**CALL OFF SCHEDULE 11C**  
**INSURANCE REQUIREMENTS**

**1. OBLIGATION TO MAINTAIN INSURANCES**

1.1 The Supplier shall take out and maintain, or procure the taking out and maintenance of the insurances as set out in the Annex to this Schedule, any additional insurances required under a Call-Off Contract (specified in the applicable Order Form) ("**Additional Insurances**") and any other insurances as may be required by applicable Law (together the "**Insurances**"). The Supplier shall ensure that each of the Insurances is effective no later than the earlier of:

1.1.1 the Call-Off Contract Effective Date; and

1.1.2 the date upon which the relevant risk commences.

1.2 The Insurances shall be:

1.2.1 maintained in accordance with Good Industry Practice;

1.2.2 (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent supplier in respect of risks insured in the international insurance market from time to time;

1.2.3 taken out and maintained with insurers of good financial standing, appropriately regulated and of good repute in the international insurance market; and

1.2.4 in respect of professional indemnity insurance as set out in the Annex to this Schedule, maintained for at least twelve (12) years after the End Date.

1.3 The Supplier shall ensure that the Third Party Public and Products Liability Insurance policy contains an indemnity under which the Buyer shall be indemnified in respect of claims made against the Buyer in respect of death or bodily injury or third party property damage arising out of or in connection with the Deliverables and for which the Supplier is legally liable.

1.4 The Supplier shall ensure its "All Risks" Insurance policy names the Buyer as a co-insured for its separate interest with attendant non vitiation, waiver of subrogation and notice of cancellation clauses.

1.5 Where specified in the Annex to this Schedule, the Supplier shall procure that insurers shall undertake to waive all rights of subrogation howsoever arising and/or claims against the Buyer its employees, servants or agents which they may have or acquire, arising out of any occurrence in respect of which any claim is admitted and is insured under relevant Insurances. The provisions of

this Paragraph shall not apply against any Buyer officer, director, employee, agent and assign who has caused or contributed to such an occurrence or claim by fraud, deliberate misrepresentation, deliberate non-disclosure or deliberate breach of policy condition.

## **2. GENERAL OBLIGATIONS**

2.1 Without limiting the other provisions of this Contract, the Supplier shall:

2.1.1 take or procure the taking of all reasonable risk management and risk control measures in relation to Deliverables as it would be reasonable to expect of a prudent supplier acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;

2.1.2 promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware including discharging all its obligations under the Insurance Act 2015 when placing, renewing, amending or maintaining any Insurances including complying with the duty of fair presentation to insurers and taking the actions needed to protect the Buyer's separate interests; and

2.1.3 hold all policies in respect of the Insurances and cause any insurance broker effecting the Insurances to hold any insurance slips and other evidence of placing cover representing any of the Insurances to which it is a party.

## **3. FAILURE TO INSURE**

3.1 The Supplier shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.

3.2 Where the Supplier has failed to purchase or maintain any of the Insurances in full force and effect, the Buyer may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances and recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

## **4. EVIDENCE OF POLICIES**

4.1 The Supplier shall upon the Effective Date and within fifteen (15) Working Days after the renewal of each of the Insurances, provide evidence, in a form satisfactory to the Buyer, that the Insurances are in force and effect and meet in full the requirements of this Schedule including the Annex. Neither inspection, nor receipt of such evidence, shall constitute acceptance by the

Buyer of the terms thereof, nor be a waiver of the Supplier's liability under this Contract.

## **5. AGGREGATE LIMIT OF INDEMNITY**

5.1 The Supplier shall ensure that any Insurances which are stated to have a minimum limit of indemnity "in the annual aggregate" are maintained at all times for the minimum limit of indemnity specified in this Contract and if any claims are made which do not relate to this Contract which could reduce the level of cover available under this Contract then the Supplier shall notify the Buyer and provide details of its proposed solution for maintaining the minimum limit of indemnity.

## **6. CANCELLATION AND NON-INVALIDATION**

6.1 The Supplier shall notify the Buyer in writing at least five (5) Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.

6.2 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Buyer (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

## **7. INSURANCE CLAIMS**

7.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Deliverables, or each Contract for which it may be entitled to claim under any of the Insurances. In the event that the Buyer receives a claim relating to or arising out of this Contract or the Deliverables, the Supplier shall co-operate with the Buyer and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.

7.2 Except where the Buyer is the claimant party, the Supplier shall give the Buyer notice within twenty (20) Working Days after any insurance claim in excess of ten percent (10%) of the sum required to be insured pursuant to Paragraph 5.1 relating to or arising out of the provision of the Deliverables or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Buyer) full details of the incident giving rise to the claim.

7.3 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.

- 7.4 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from the Buyer any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

## **ANNEX: REQUIRED INSURANCES**

The following insurances should be held in relation to this Lot.

### **1. CONTRACTORS "ALL RISKS" INSURANCE**

#### 1.1 Insured

##### 1.1.1 Supplier

##### 1.1.2 Buyer

as appropriate, each for their respective rights and interests in this Contract.

#### 1.2 Insured property

The permanent and temporary works, materials, goods, plant and equipment for incorporation in any relevant works (plus constructional plant, tools, accommodation and equipment belonging to or the responsibility of the Supplier (or its subcontractors) and all other property used or for use in connection with any works associated with this Contract.

#### 1.3 Basis of cover

"All Risks" of physical loss, damage or destruction to the Insured property (in Paragraph 1.2 of this Annex) unless otherwise excluded.

#### 1.4 Sum insured

At all times an amount not less than the full reinstatement or replacement value of the Insured property (in Paragraph 1.2 of this Annex), plus provision to include cover features and extensions (in Paragraph 1.8 of this Annex) as appropriate.

#### 1.5. Maximum deductible threshold

[Redacted – Commercially Sensitive]

#### 1.6 Territorial limits

United Kingdom including offsite storage and during inland transit or via the Chanel Tunnel or roll on roll off ferry.

#### 1.7 Period of insurance

From the Effective Date, the completion of any relevant works and thereafter in respect of defects liability until expiry of any defect's liability period.

#### 1.8 Cover features and extensions

1. Terrorism
2. Munitions of war clause

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3. Additional costs of completion clause
4. Professional fees clause
5. Debris removal clause
6. Seventy-two (72) hour clause
7. European Union local authorities clause
8. Free issue materials clause
9. Ten percent (10%) escalation clause
10. Automatic reinstatement of sum insured clause
11. Loss minimisation
12. Plans and specifications clause
13. Guarantee maintenance or extended maintenance to the extent available
14. Payments on account
15. Temporary repairs
16. Offsite storage and repairs
17. Fire Joint Code of Practice
18. Buyer co-insured party status with attendant non vitiation, waiver of subrogation and notice of cancellation clauses

### 1.9 Principal Exclusions

1. War and related perils
2. Nuclear/radioactive risks
3. Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
4. Wear, tear and gradual deterioration.
5. Consequential financial losses.
6. Cyber risks.
7. Inventory losses, fraud and employee dishonesty

8. Faulty design, workmanship and materials DE5 or LEG3/06

## 2. THIRD PARTY PUBLIC AND PRODUCTS LIABILITY INSURANCE

2.1 Insured  
Supplier

2.2 Interest  
To indemnify the Insured (in Paragraph 2.1 of this Annex) in respect of all sums that the Insured (in Paragraph 2.1 of this Annex) may become legally liable to pay whether contractually or otherwise (including claimant's costs and expenses) as damages in respect of accidental;

1. death or bodily injury, illness or disease contracted by any person;
2. loss or damage to property;
3. interference to property or any easement right of air, light, water or way or the enjoyment or use thereof by obstruction, trespass, nuisance, loss of amenities;

happening during the Period of insurance (in Paragraph 2.6 of this Annex) and arising out of or in connection with this Contract.

2.3 Limit of indemnity  
Not less than fifty million pounds (£50,000,000) in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period, but in the annual aggregate in respect of products or pollution liability (to the extent insured by the policy).

2.4 Maximum deductible threshold  
[Redacted – Commercially Sensitive]

2.5 Territorial limits  
United Kingdom and elsewhere in the world in respect of non manual visits.

2.6 Period of insurance  
From the date specified in Paragraph 1.1 of this Schedule 11C until the End Date renewable on an annual basis unless agreed otherwise by the parties.

2.7 Cover features and extensions

1. Munitions of war
2. Cross liability clause
3. Contingent motor vehicle liability
4. Legal defence costs

5. Indemnity to principals' clause
6. Waiver of subrogation in favour of the Buyer
7. Health & Safety at Work Act(s) clause
8. Data Protection legislation clause
9. Consumer Protection Act 1987
10. Defence appeal and prosecution costs relating to the Corporate Manslaughter and Corporate Homicide Act 2007

## 2.8 Principal Exclusions

1. War and related perils
2. Nuclear/radioactive risks
3. Liability for death, illness, disease or bodily injury sustained by employees of the Insured (in Paragraph 2.1 of this Annex) arising out of the course of their employment.
4. Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles.
5. Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered by the Insured (in Paragraph 2.1 of this Annex).
6. Liability in respect of loss or damage to property in the care, custody and control of the Insured (in Paragraph 2.1 of this Annex) but this exclusion is not to apply to all property belonging to the Buyer which is in the care, custody and control of the Insured (in Paragraph 2.1 of this Annex).
7. Events more properly covered under a professional indemnity insurance policy.
8. Liability arising from the ownership, possession or use of any aircraft or marine vessels.
9. Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.
10. Losses indemnified under the Supplier "All Risks" Insurance policy (in Paragraph 1 of this Annex).

11. Liability arising from toxic mould
12. Liability arising from asbestos
13. Cyber risks

### **3. Professional Indemnity Insurance**

3.1 Insured  
Supplier

3.2 Interest  
To indemnify the Insured (in Paragraph 3.1 of this Annex) for all sums which the Insured (in Paragraph 3.1 of this Annex) shall become legally liable to pay (including claimants costs and expenses) as a result of any claim or claims first made against the Insured (in Paragraph 3.1 of this Annex) during the Period of insurance (in Paragraph 3.6 of this Annex) by reason of any act, error and/or omission arising from or in connection with any professional services, advice, design or specification relevant to this Contract.

3.3 Limit of Indemnity  
Not less than ten million pounds (£10,000,000) in respect of any one claim, and in the annual aggregate during the Period of insurance (in Paragraph 3.6 of this Annex).

3.4 Maximum deductible threshold  
[Redacted – Commercially Sensitive]

3.5 Territorial limits  
United Kingdom.

3.6 Period of insurance  
From the date specified in Paragraph 1.1 of this Schedule 11C until the date twelve (12) years after the End Date, renewable on an annual basis unless agreed otherwise by the parties.

3.7 Cover features and extensions

1. Loss of documents and computer records extension.
2. Legal liability assumed under contract, duty of care agreements and collateral warranties.
3. In respect of any claims made policy wording retroactive cover from the date of this Contract or retroactive date no later than the date of this Contract.

3.8 Principal Exclusions

1. War and related perils
2. Nuclear/radioactive risks
3. Insolvency of the Insured

#### **4. AIRSIDE THIRD PARTY LIABILITY INSURANCE**

- 4.1 Insured  
Supplier
- 4.2 Interest  
Legal liability the Insured (in Paragraph 4.1 of this Annex) may incur for bodily injury or property damage arising from the performance of this Contract airside, including legal liability for damage to aircraft.
- 4.3 Limit of indemnity  
Not less than combined single limit for bodily injury and or property damage of fifty million pounds (£50,000,000) any one occurrence the number of occurrences being unlimited in any annual policy period.
- 4.4 Maximum deductible threshold  
[Redacted – Commercially Sensitive]
- 4.5 Territorial limits  
Any relevant airport or airfield in the United Kingdom.
- 4.6 Period of insurance  
From the date specified in Paragraph 1.1 of this Call Off Schedule 11C until the End Date, renewable on an annual basis unless agreed otherwise by the parties.
- 4.7 Cover features and extensions
  1. Extensions as are generally applied as a matter of current aviation insurance market practice in the relevant insurance market from time to time.
- 4.8 Principal Exclusions
  1. Radioactive contamination.
  2. Claims caused by any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
  3. Noise, pollution, contamination per prevailing aviation insurance market exclusion

4. Liability for death, illness, disease or bodily injury sustained by employees of the Insured (in Paragraph 4.1 of this Annex) arising out of the course of their employment.
5. Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles.
6. Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured (in Paragraph 4.1 of this Annex).
7. Liability arising from damage caused by any ships, vessels, craft or aircraft owned, used or operated by the Insured.

## **5. AIRSIDE MOTOR THIRD PARTY LIABILITY INSURANCE**

5.1 Insured  
Supplier

5.2 Interest  
Legal liability of the Insured (in Paragraph 5.1 of this Annex) to pay damages (including claimants costs and expenses) in respect of

1. any accident, injury, loss or liability, due to the presence of an Insured's (in Paragraph 5.1 of this Annex) vehicle in any premises or area to which any aircraft has access.
2. any accident, loss or damage to any aircraft or any liability or injury arising from such damage.
3. any consequential loss in connection with any aircraft, airport or airfield operation arising from the presence of the Insured's (in Paragraph 5.1 of this Annex) vehicle in any area to which any aircraft has access.

5.3 Limit of Indemnity  
Unlimited other than in respect of damage occasioned to third party property where it shall be not less than fifty million pounds (£50,000,000) any one occurrence the number of occurrences being unlimited in any annual policy period.

5.4 Maximum deductible threshold  
[Redacted – Commercially Sensitive]

5.5 Territorial limits  
Any relevant airport or airfield in the United Kingdom.

5.6 Period of insurance

From the date specified in Paragraph 1.1 of this Schedule 11C until the End Date , renewable on an annual basis unless agreed otherwise by the parties.

5.7 Cover features and extensions

1. Cross liability clause.
2. Obstruction, trespass, nuisance, loss of amenities, interference with easements or any like cause.
3. Indemnity to principals clause.

5.8 Principal Exclusions

1. War and related perils.
2. Nuclear/radioactive risks.
3. Liability arising from damage caused by any ships, vessels, craft or aircraft owned, used or operated by the Insured (in Paragraph 5.1 of this Annex).
4. Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

**6. POLICIES TO BE TAKEN OUT AS REQUIRED BY UNITED KINGDOM LAW**

- 6.1 Parties to the Contract are required to meet their statutory insurance obligations in full. Insurances required to comply with all statutory requirements include, but are not limited to, Employers' Liability Insurance and Motor Third Party Liability Insurance.
- 6.2 The Limit of Indemnity for the Employers' Liability Insurance shall not be less than five million pounds (£5,000,000) any one occurrence inclusive of costs, the number of occurrences being unlimited in any annual policy period or such greater amount as is required by the applicable Law for the duration of this Contract or such greater period as is required by law.
- 6.3 Statutory insurances to contain an indemnity to principals clause in respect of claims made against the Buyer arising out of the performance by the Supplier of the Supplier's duties under this Contract.
- 6.4 The insurance shall be maintained from the date specified in Paragraph 1.1 of this Schedule 11C until the End Date.