



Schedule 2.5 – Insurance Requirements

CHANGE HISTORY

Version	Description	Author	Document Number
5.0	Execution version	TfL	75251144.12

Contents

1	Obligation to Maintain Insurances	4
2	General Obligations	4
3	Failure to Insure	5
4	Evidence of Insurances	5
5	Aggregate Limit of Indemnity	5
6	Cancellation	6
7	Insurance Claims, Premiums and Deductibles	6
8	Uninsurability	6
	Annex 1 - Required Insurances	7

1 Obligation to Maintain Insurances

- 1.1 Without prejudice to its obligations to TTL under this Agreement, including its indemnity and liability obligations, the Concessionaire shall for the periods specified in this Schedule take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex 1 (Required Insurances) and any other insurances as may be required by applicable Law (together the "Insurances"). The Concessionaire shall ensure that each of the Insurances is effective no later than the date on which the relevant risk commences.
- 1.2 The Insurances shall be maintained in accordance with Good Industry Practice and (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time.
- 1.3 The Insurances shall be taken out and maintained with insurers who are:
- (a) of good financial standing;
 - (b) appropriately regulated;
 - (c) regulated by the applicable regulatory body and is in good standing with that regulator; and
 - (d) except in the case of any Insurances provided by an Affiliate of the Concessionaire, of good repute in the international insurance market.
- 1.4 Where any Insurances are provided by an Affiliate of the Concessionaire, the Concessionaire shall provide to TTL on the Effective Date (or inception of the relevant Insurances if later) and thereafter within ten (10) Working Days of written request from TTL evidence of good financial standing of the relevant Affiliate in a form satisfactory to TTL.
- 1.5 The Concessionaire shall ensure that the public and products liability insurance policy shall contain an indemnity to principals clause under which TTL and all members of the TfL Group shall be indemnified in respect of claims made against TTL or any member of the TfL Group in respect of death or bodily injury or third party property damage arising out of or in connection with the Agreement and for which the Concessionaire is legally liable.
- 1.6 The Concessionaire shall ensure that any care, custody and control exclusion under the public and products liability insurance policy shall be endorsed such that the exclusion shall not apply to property belonging to TTL, any member of the TfL Group, any member of the GLA Group or any London Borough or for which TTL, any member of the TfL Group, any member of the GLA Group or any London Borough is responsible.

2 General Obligations

Without limiting the other provisions of this Agreement, the Concessionaire shall:

- (a) take or procure the taking of all reasonable risk management and risk control measures in relation to the Services as it would be reasonable to expect of a prudent contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;
- (b) promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Concessionaire is or becomes aware; and

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

4 Evidence of Insurances

The Concessionaire shall upon the Effective Date and within fifteen (15) Working Days after the renewal or replacement of each of the Insurances, provide evidence, in a form satisfactory to TTL, that the Insurances are in force and effect and meet in full the requirements of this Schedule. Receipt of such evidence by TTL and/or the inclusion of the description of policy details in Paragraph 1.1 of Part A of Annex 1 shall not in itself constitute acceptance by TTL or relieve the Concessionaire of any of its liabilities and obligations under this Agreement.

5 Aggregate Limit of Indemnity

Where the minimum limit of indemnity required in relation to any of the Insurances is specified as being "in the aggregate":

- (a) if a claim or claims which do not relate to this Agreement are notified to the insurers which, given the nature of the allegations and/or the quantum claimed by a third party, is likely to result in a claim or claims being paid by the insurers which could reduce the level of cover available below that minimum, the Concessionaire shall immediately submit to TTL:
 - (i) details of the policy concerned; and
 - (ii) its proposed solution for maintaining the minimum limit of indemnity specified; and
- (b) if and to the extent that the level of insurance cover available falls below that minimum because a claim or claims which do not relate to this Agreement are paid by insurers, the Concessionaire shall:
 - (i) ensure that the insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified for claims relating to this Agreement; or
 - (ii) if the Concessionaire is or has reason to believe that it will be unable to ensure that insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified, immediately submit to TTL full details of the policy concerned and its proposed solution for maintaining the minimum limit of indemnity specified.

6 Cancellation

- 6.1 Subject to Paragraph 6.2, the Concessionaire shall notify TTL in writing at least five (5) Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.
- 6.2 Without prejudice to the Concessionaire's obligations under Paragraph 4, Paragraph 6.1 shall not apply where the termination of any Insurances occurs purely as a result of a change of insurer in respect of any of the Insurances required to be taken out and maintained in accordance with this Schedule.

7 Insurance Claims, Premiums and Deductibles

- 7.1 The Concessionaire shall promptly notify to insurers any matter arising from, or in relation to, the Services and/or this Agreement for which it may be entitled to claim under any of the Insurances. In the event that TTL or any member of the TfL Group receives a claim relating to or arising out of the Services and/or this Agreement, the Concessionaire shall co-operate with TTL and assist it in dealing with such claims at its own expense including providing information and documentation in a timely manner.
- 7.2 The Concessionaire shall maintain a register of all claims under the Insurances in connection with this Agreement and shall allow TTL to review such register at any time.
- 7.3 Except where TTL or any member of the TfL Group is the claimant party, the Concessionaire shall give TTL notice within twenty (20) Working Days after any insurance claim in excess of £50,000 (fifty thousand pounds sterling) or within five (5) Working Days where such claim is in connection with a serious injury or fatality relating to or arising out of the provision of the Services or this Agreement 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 TTL) full details of the incident giving rise to the claim.
- 7.4 Where any Insurance requires payment of a premium, the Concessionaire shall be liable for and shall promptly pay such premium.
- 7.5 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Concessionaire shall be liable for such excess or deductible. The Concessionaire shall not be entitled to recover from TTL any sum paid by way of excess or deductible under the Insurances whether under the terms of this Agreement or otherwise.

8 Uninsurability

- 8.1 Nothing in this Schedule shall oblige the Concessionaire to take out the Insurances in respect of a risk which is Uninsurable save where the predominant cause of the risk being Uninsurable is any act or omission of the Concessionaire and/or any Sub-contractor.
- 8.2 If a risk usually covered by the Insurances becomes Uninsurable then the Parties shall refer the matter to the Dispute Resolution Procedure in order to determine how the risk should be managed.

Annex 1 - Required Insurances

Part A - Material Damage Insurance

1 Insured

The Concessionaire

1.1 Policy Description

The Concessionaire shall take out and maintain during the period of insurance (as specified in Paragraph 5 below) policy(ies) of insurance in respect of its obligations set out in this Annex 1, Part A as follows:

- (a) Contract Works Material Damage Policy to cover property (as specified in Paragraph 2 below) undergoing construction, installation or erection, such policy being required during all times when the Concessionaire is carrying out construction, installation or erection.
- (b) Industrial Special Risks / Material Damage Policy to cover property (as specified in Paragraph 2 below) not undergoing construction, installation or erection.

2 Interest

To indemnify the Insured in respect of all risks of loss or damage to:

- (a) Concessionaire Infrastructure prior to installation on TTL Assets and GLA Group And London Borough Assets and whilst installed and maintained on TTL Assets and GLA Group And London Borough Assets; and
- (b) Telecommunications Infrastructure installed by the Concessionaire subject to ESN Implementation Charges from the date risk passes to the Concessionaire as set out in Clause 6.10(a) (Scenario 2 – Telecommunications Infrastructure installed by the Concessionaire subject to ESN Implementation Charges);
- (c) Telecommunications Infrastructure installed by TfL and subject to the TTL Infrastructure Re-Charge Fee from the date risk passes to the Concessionaire as set out in Clause 6.11(a) (Scenario 3 – Telecommunications Infrastructure installed by TfL subject to TTL Infrastructure Re-charge Fee); and
- (d) TTL Infrastructure installed by TfL and not subject to the TTL Infrastructure Re-charge Fee from the date risk passes to the Concessionaire as set out in clause 6.12(a) (Scenario 4 – TTL Infrastructure installed by TfL not subject to the TTL Infrastructure Re-charge Fee),

during the period of insurance (as specified in Paragraph 5) and arising out of or in connection with the provision of the Services and in connection with this Agreement.

3 Limit of indemnity

The full reinstatement cost of the Telecommunications Infrastructure.

4 Territorial Limits

United Kingdom.

5 Period of insurance

From the date of this Agreement for the Term and renewable on an annual basis unless agreed otherwise by TTL in writing. In the event that the Concessionaire wishes to insure some or all of the risks under a multi-year or project-specific insurance, the Concessionaire shall confirm to TTL in writing that all necessary updates, progress reports and information required by insurers has been provided to them, to ensure the cover remains in effect throughout the period of insurance. Such confirmation shall be provided on an annual basis or, where such updates, progress reports and information are provided to insurers on a more frequent basis, in accordance with this frequency.

6 Cover features and extensions

Waiver of subrogation rights against TfL, the GLA Group and the London Boroughs.

7 Maximum deductible threshold

Deductibles

With respect to the Contract Works Material Damage Policy:

GBP 150,000	each and every loss where DE3 or LEG2 applies
GBP 100,000	each and every loss caused by storm, tempest, flood, water damage
GBP 25,000	each and every other loss

With respect to the Industrial Special Risks / Material Damage Policy:

GBP 25,000	each and every loss
------------	---------------------

Part B - Third Party Public and Products Liability Insurance

1 Insured

The Concessionaire.

2 Interest

To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of:

- (a) death or bodily injury to or sickness, illness or disease contracted by any person; and
- (b) loss of or damage to property,

happening during the period of insurance (as specified in Paragraph 5) and arising out of or in connection with the provision of the Services and in connection with this Agreement.

3 Limit of indemnity

Not less than GBP 50,000,000 (fifty million pounds sterling) in respect of any one (1) occurrence, the number of occurrences being unlimited in any policy period, but GBP 50,000,000 (fifty million pounds sterling) in the aggregate per annum in respect of products and pollution liability.

4 Territorial limits

United Kingdom.

5 Period of insurance

From the date of this Agreement for the Term and renewable on an annual basis unless agreed otherwise by TfL in writing.

6 Cover features and extensions

Indemnity to principals clause.

7 Principal exclusions

- 7.1 War and related perils.
- 7.2 Nuclear and radioactive risks.
- 7.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured arising out of the course of their employment.
- 7.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
- 7.5 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.

- 7.6 Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.
- 7.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- 7.8 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

8 Maximum deductible threshold

Not to exceed GBP 25,000 for each and every occurrence.

Part C - Professional Indemnity Insurance

1 Insured

The Concessionaire.

2 Interest

To indemnify the Insured for all sums which the Insured shall become legally liable to pay (including claimants' costs and expenses) as a result of claims first made against the Insured during the period of insurance (as specified in Paragraph 5) by reason of any negligent act, error and/or omission arising from or in connection with the provision of the Services.

3 Limit of indemnity

Not less than GBP 10,000,000 (ten million pounds sterling) in respect of any one (1) claim and in the aggregate per annum, exclusive of defence costs which are payable in addition.

4 Territorial Limits

Worldwide.

5 Period of insurance

From the date of this Agreement and renewable on an annual basis unless agreed otherwise by TfL in writing (a) throughout the Term or until earlier termination of this Agreement and (b) for a period of six (6) years thereafter.

6 Cover features and extensions

Retroactive cover to apply to any claims made policy wording in respect of this Agreement or retroactive date to be no later than the Effective Date.

7 Principal exclusions

7.1. War and related perils.

7.2. Nuclear and radioactive risks.

8 Maximum deductible threshold

Not to exceed GBP 50,000 (depending on exchange rate) for each and every third party property damage claim (personal injury claims to be paid in full).

For the avoidance of doubt, the Concessionaire shall ensure that losses relating to personal injury and physical property damage are insured under the Third Party Public and Products Liability insurance specified in Part C.

Part D - United Kingdom Compulsory Insurances

The Concessionaire shall maintain Employer's Liability insurance of not less than GBP 10,000,000 (ten million pounds sterling) per occurrence and motor third party liability insurance as required under applicable law.

Part E - Insurance of Concessionaire's Plant, Tools and Equipment

The Concessionaire shall maintain sufficient insurance to cover loss, theft or damage to the Concessionaire's plant, tools and equipment, temporary buildings (including contents therein), if any, belonging to or the responsibility of the Concessionaire and being used in connection with this Agreement.

Part F - Goods in Transit Insurance

The Concessionaire shall maintain insurance to cover all risks of loss or damage (including theft and vandalism) to any goods products or materials to be incorporated into the Services during transit (or being stored during a journey) by road, rail, air, sea or inland waterways until the point that these items are delivered and unloaded to the relevant location.

Part G - Cyber Risks Insurance

The Concessionaire shall maintain insurance to cover all risks of damage to, or loss of information from technology and communication systems and networks including loss or damage to digital assets including data or software, theft of money or digital assets through theft of equipment or electronic theft, security and privacy breaches including the defence costs and civil damages associated with them, and loss of third party data.

Such insurance shall be on terms that are normal and customary for a business of similar size, scope and expertise in the digital and communication industries providing the Services and shall be in an amount sufficient to cover liability that may arise in connection with this Agreement.