



**Highways England Company Limited**

**Area 3**

**Maintenance and Response Contract**

**Annex 4**

**Insurance Requirements**

## CONTENTS AMENDMENT SHEET

Amend. No.	Revision No.	Amendments	Initials	Date
0	0	Contract Issue	SOS	May 2021

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## 1. INSURANCE REQUIREMENTS

### 1.1. Insurance Requirements

- 1.1.1 The Contractor, without prejudice to any obligation to indemnify the *Client* under the Contract, from the date of the Contract takes out and maintains or procures the taking out and maintenance in full force and effect insurance in accordance with the requirements specified in the Insurance Table and any other insurances as required by law (together the “Required Insurances”); and ensures that the Required Insurances are effective in each case not later than the date on which the relevant risk commences.
- 1.1.2 The Required Insurances are taken out and maintained with insurers who (in the reasonable opinion of the *Client*) are of good financial standing, sound security, appropriately regulated and of good repute in the United Kingdom insurance market.
- 1.1.3 The *Contractor* does not (and the *Contractor* procures that any subcontractor of the *Contractor* does not) take any action, or permit anything to occur in relation to it, which would entitle any insurer to refuse to pay any claim under any insurance policy in which that party is an insured, a co-insured or additional insured person.
- 1.1.4 The Required Insurances:
- where specified in the Insurance Table, names the *Client* as co-insured for its separate interest,
  - where specified in the Insurance Table, provides for non-vitiation and severability of interest’s protection in respect of any claim made by the *Client* as a co-insured,
  - where specified in the Insurance Table, includes an undertaking from the relevant insurer to waive all rights of subrogation howsoever arising and/or claims against the *Client*, 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 the Required Insurances. The provisions of this requirement do not apply against any *Client* officer, director, employee, agent and assign who has caused or contributed to such an occurrence or claim by fraud, deliberate misrepresentation, deliberate nondisclosure or deliberate breach of policy condition, and
  - where specified in the Insurance Table, contains an indemnity to principals clause under which the *Client* is indemnified in respect of claims made against the *Client* arising from the acts or omissions of, or performance of the *Contractor* under the Contract.

- 1.1.5 Where the insurers purport to cancel, suspend, terminate or decline to renew any of the Required Insurances:
- the *Contractor* procures that the insurers will, as soon as is reasonably practicable, notify the *Contractor* (and, where the *Client* is named on the policy, the *Client*) in writing in the event of any such proposed suspension, cancellation or termination, and
  - where the *Contractor* receives notification from insurers in relation to a policy on which the *Client* is not named, the *Contractor* promptly notifies the *Client* in writing of receipt of such proposed suspension, cancellation or termination.
- 1.1.6 The *Contractor* discharges all its obligations under the Insurance Act 2015 when placing, renewing, amending or maintaining any insurances required by the contract.

## 1.2. Insurance Table

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p><b>Section 1 - Property Damage "All Risks" Insurance</b></p> <p>1. Insureds</p> <p>1.1. <i>Contractor</i></p> <p>1.2. <i>Client</i></p> <p>as appropriate, each for their respective rights and interests in the contract.</p> <p>2. Insured property and sum insured</p> <p>Physical property for which the <i>Contractor</i> is responsible in relation to the contract or in the care, custody and control of the <i>Contractor</i> in relation to the contract including but not limited to any Plant and Materials, relevant Roadside Technology, Equipment and Client Stocks. The sum insured to represent the reinstatement or replacement cost of the relevant insured property.</p> <p>3. Basis of cover</p> <p>"All Risks" of physical loss, damage or destruction to the insured property from any cause unless otherwise excluded.</p> <p>4. Territorial limits</p> <p>United Kingdom including offsite storage and during inland transit</p> <p>5. Period of insurance</p>	<p>The full reinstatement or replacement cost/value of the relevant insured property</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>The <i>Contractor</i> maintains the insurance from the <i>starting date</i> until the end of the Service Period or a termination certificate has been issued.</p> <p>6. Cover features and extensions to the extent relevant to the insured property</p> <p>6.1. terrorism.</p> <p>6.2. professional fees clause.</p> <p>6.3. debris removal clause.</p> <p>6.4. seventy-two (72) hour clause.</p> <p>6.5. European Union local authorities clause.</p> <p>6.6. automatic reinstatement of sum insured clause.</p> <p>6.7. escalation clause</p> <p>6.8. loss minimisation</p> <p>6.9. temporary repairs</p> <p>6.10. multiple insured clause incorporating the <i>Client</i> as a co-insured party with attendant non-vitiation, waiver of subrogation and notice of cancellation provisions.</p> <p>7. principal exclusions</p> <p>7.1. war and related perils.</p> <p>7.2. nuclear/radioactive risks.</p>	

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>7.3. pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.</p> <p>7.4. wear, tear and gradual deterioration.</p> <p>7.5. consequential financial losses.</p>	
<p><b>Section 2 – Third Party Public and Products Liability Insurance</b></p> <p>1. Insured</p> <p>1.1. <i>Contractor</i></p> <p>2. Interest</p> <p>To indemnify the insured in respect of all sums which the insured may become legally liable to pay (including claimant's costs and expenses) as damages in respect of accidental:</p> <p>2.1. death or bodily injury, illness or disease contracted by any person; or</p> <p>2.2. loss or damage to property;</p> <p>2.3. 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;</p> <p>happening during the period of the contract and arising out of or in connection with the Services and/or arising out of or in connection with the contract.</p>	<p>Fifty million pounds (£50,000,000) in respect of any one occurrence the number of occurrences being unlimited in any annual policy period but fifty million pounds (£50,000,000) in respect of any one occurrence and in the annual aggregate in respect of products liability insurance or pollution liability insurance (to the extent insured under the relevant policy)</p>



Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>3. Territorial limits</p> <p>United Kingdom and elsewhere in the world in respect of non-manual visits.</p> <p>4. Period of insurance</p> <p>The <i>Contractor</i> maintains the insurance from the <i>starting date</i> until the Completion of the whole of the <i>Services</i> or termination of the contract whichever occurs earlier.</p> <p>5. Cover features and extensions</p> <p>5.1. cross liability clause,</p> <p>5.2. contingent motor vehicle liability,</p> <p>5.3. legal defence costs,</p> <p>5.4. indemnity to principals clause under which the <i>Client</i> shall be indemnified in respect of claims, made against the <i>Client</i> arising from death or bodily injury or property damage and for which the Contractor is legally liable in respect of the contract.</p> <p>5.5. Health &amp; Safety at Work Act(s) clause.</p> <p>5.6. Data Protection Legislation clause.</p> <p>5.7. Defence appeal and prosecution costs relating to the Corporate Manslaughter and Corporate Homicide Act 2007.</p> <p>6. Principal exclusion</p> <p>6.1. war and related perils.</p>	

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>6.2. nuclear/radioactive risks.</p> <p>6.3. liability for death, illness, disease or bodily injury sustained by employees of the insured arising out of the course of their employment.</p> <p>6.4. liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles.</p> <p>6.5. liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the insured.</p> <p>6.6. events more properly covered under a professional indemnity insurance policy.</p> <p>6.7. liability arising from the ownership, possession or use of any aircraft or marine vessels.</p> <p>6.8. liability arising from contamination and pollution unless caused by a sudden, unintended, unexpected and accidental occurrence.</p>	
<p><b>Section 3 – Motor Vehicle Third Party Liability Insurance</b></p> <p>1. insured</p> <p>    1.1. Contractor</p> <p>2. Interest</p> <p>    To indemnify the insured in respect of all sums which the insured may become legally liable to pay (including claimant's costs and expenses) as damages in respect of death or bodily injury to any person or loss or</p>	<p>The greater of the amount required by the applicable law or unlimited in respect of death/injury, five million pounds (£5,000,000) in respect of third party property damage by commercial vehicles and twenty million pounds (£20,000,000) in respect of third party property damage by cars.</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>damage to third party property arising out of the use of motor vehicles by employees of the insured in connection with the contract.</p> <p>3. Coverage</p> <p>3.1. As required by applicable law in the United Kingdom.</p> <p>3.2. The motor vehicle third party liability insurance shall contain an indemnity to principals clause under which the <i>Client</i> shall be indemnified in respect of claims, made against the <i>Client</i> arising from death or bodily injury or property damage and for which the Contractor is legally liable in respect of the contract.</p>	
<p><b>Section 4 – Motor Vehicle Damage Insurance</b></p> <p>Comprehensive insurance in respect of loss, damage, destruction or theft of <i>Client's</i> Vehicles.</p> <p>The <i>Contractor</i> maintains the insurance from the <i>starting date</i> and throughout the <i>service period</i>.</p>	<p>The market value at the time when the loss, damage, destruction or theft occurred.</p>
<p><b>Section 5 – Employer's Liability Insurance</b></p> <p>1. Insured</p> <p>1.1. Contractor</p> <p>2. Interest</p> <p>2.1. To indemnify the insured in respect of all sums which the insured may become legally liable to pay (including claimant's costs and expenses) as damages in respect of death of or bodily injury to employees of the</p>	<p>The greater of the amount required by the applicable law or ten million pounds (£10,000,000) in respect of any one occurrence the number of occurrences being unlimited in any annual policy period.</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>Contractor arising out of and in the course of their employment in connection with the contract.</p> <p>3. Coverage</p> <p>3.1. As required by applicable law in the United Kingdom.</p> <p>3.2. The employer's liability insurance shall contain an indemnity to principals clause under which the <i>Client</i> shall be indemnified in respect of claims, made against the <i>Client</i> arising from death or bodily injury or property damage and for which the Contractor is legally liable in respect of the contract.</p> <p>The <i>Contractor</i> maintains the insurance from the <i>starting date</i> and throughout the <i>service period</i>.</p>	