

Construction Works Framework

Scope

Area 4 Interim Annex 4

Insurance Requirements

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Amend. No.	Revision No.	Amendments	Initials	Date
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1. INSURANCE REQUIREMENTS

1.1. Insurance table

- 1.1.1 The *Contractor*, will without prejudice to any obligation indemnify the *Client* under this Contract, from the date of the Contract, take 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 may be required by law (together the “Required Insurances”); and ensure 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 will be taken out and maintained with insurers who (in the reasonable opinion of the *Client*) are of good financial standing, sound security and of good repute in the United Kingdom insurance market.
- 1.1.3 The *Contractor* will not (and the *Contractor* will procure that any subcontractor of the *Contractor* will 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 will:
- (1) where specified in the Insurance Table, name the *Client* as co-insured for its separate interest;
 - (2) where specified in the Insurance Table, provide for non-vitiation and severability of interests protection in respect of any claim made by the *Client* as a co-insured;
 - (3) where specified in the Insurance Table, include 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 will 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;
 - (4) where specified in the Insurance Table, contain an indemnity to principals clause under which the *Client* will be indemnified in respect of claims made against the *Client* arising from the acts or omissions of, or performance of the *Contractor* under this Contract;
- 1.1.5 Where the insurers purport to cancel, suspend, terminate or decline to renew any of the Required Insurances:
- (5) the *Contractor* will procure 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

- (6) where the *Contractor* receives notification from insurers in relation to a policy on which the *Client* is not named, the *Contractor* will promptly notify 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 this contract, including complying with the duty of fair presentation to insurers and taking the actions needed to protect the *Client's* separate interests where the *Client* is required to be named as an insured party.

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>Section 1 - Contractors "All Risks" Insurance (CAR)</p> <p>In this section "insured property" means any Scheme constructed by the <i>Contractor</i> in the course of construction.</p> <ol style="list-style-type: none"> 1. insureds <ol style="list-style-type: none"> 1.1 <i>Contractor</i> 1.2 <i>Client</i> <p>as appropriate, each for their respective rights and interests in the Scheme.</p> 2. coverage <p>"All Risks" of physical loss, damage or destruction to the insured property unless otherwise excluded.</p> 3. cover features and extensions <ol style="list-style-type: none"> 3.1 terrorism. 3.2 additional costs of completion clause. 3.3 professional fees clause. 3.4 debris removal clause. 3.5 seventy two (72) hour clause. 3.6 European Union local authorities clause. 3.7 free issue materials clause. 3.8 ten per cent (10%) escalation clause. 3.9 automatic reinstatement of sum insured clause. 3.10 loss minimisation. 	<p>The full reinstatement or replacement cost/value of the insured property (including demolition, debris removal and inflation escalation provisions).</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>3.11 plans and specifications clause.</p> <p>3.12 guarantee maintenance or extended maintenance to the extent available.</p> <p>3.13 payments on account.</p> <p>3.14 temporary repairs.</p> <p>3.15 offsite storage and repairs.</p> <p>3.16 Fire Joint Code of Practice.</p> <p>3.17 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>4. principal exclusions</p> <p>4.1 war and related perils.</p> <p>4.2 nuclear/radioactive risks.</p> <p>4.3 pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.</p> <p>4.4 wear, tear and gradual deterioration.</p> <p>4.5 consequential financial losses.</p> <p>4.6 inventory losses, fraud and employee dishonesty.</p> <p>4.7 faulty design, workmanship and materials DE5 or LEG03/06.</p>	

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>Section 2 - Property Damage "All Risks" Insurance</p> <p>In this section "insured property" means any Plant and Materials.</p> <ol style="list-style-type: none"> 1. insureds <ol style="list-style-type: none"> 1.1 <i>Contractor</i> 1.2 <i>Client</i> <p>as appropriate, each for their respective rights and interests in the Plant and Materials.</p> 2. coverage <p>"All Risks" of physical loss, damage or destruction to the insured property unless otherwise excluded.</p> 3. cover features and extensions <ol style="list-style-type: none"> 3.1 terrorism. 3.2 professional fees clause. 3.3 debris removal clause. 3.4 seventy two (72) hour clause. 3.5 European Union local authorities clause. 3.6 automatic reinstatement of sum insured clause. 3.7 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. 4. principal exclusions <ol style="list-style-type: none"> 4.1 war and related perils. 	<p>The full reinstatement or replacement cost/value of the insured property (including demolition, debris removal and inflation escalation provision).</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>4.2 nuclear/radioactive risks.</p> <p>4.3 pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.</p> <p>4.4 wear, tear and gradual deterioration.</p> <p>4.5 consequential financial losses.</p>	
<p>Section 3 – Third Party Public and Products Liability Insurance</p> <p>1. insured <i>Contractor</i></p> <p>2. interest 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>happening during the period of this contract and arising out of or in connection with the Services and/or arising out of or in connection with this Contract.</p> <p>3. cover features and extensions</p> <p>3.1 cross liability clause.</p> <p>3.2 contingent motor vehicle liability.</p> <p>3.3 legal defence costs.</p> <p>3.4 indemnity to principals clause under which the <i>Client</i> will be indemnified in respect of claims, made against the <i>Employer</i> arising from death or bodily injury or property damage and for which the</p>	<p>Twenty million pounds (£20,000,000) in respect of any one occurrence the number of occurrences being unlimited in any annual policy period but twenty million pounds (£20,000,000) in respect of any one occurrence and in the annual aggregate in respect of products liability or pollution liability (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><i>Contractor</i> is legally liable in respect of this contract.</p> <p>3.5 Health & Safety at Work Act(s) clause.</p> <p>3.6 Data Protection Act clause.</p> <p>3.7 Defence appeal and prosecution costs relating to the Corporate Manslaughter and Corporate Homicide Act 2007.</p> <p>4. principal exclusions</p> <p>4.1 war and related perils.</p> <p>4.2 nuclear/radioactive risks.</p> <p>4.3 liability for death, illness, disease or bodily injury sustained by employees of the insured arising out of the course of their employment.</p> <p>4.4 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>4.5 liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.</p> <p>4.6 events more properly covered under a professional indemnity insurance policy.</p> <p>4.7 liability arising from the ownership, possession or use of any aircraft or marine vessels.</p> <p>4.8 liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.</p>	
<p>Section 4 – Employer’s Liability Insurance</p> <p>1. insured</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</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p><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 death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this 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 will contain an indemnity to principals clause under which the <i>Employer</i> will be indemnified in respect of claims, made against the <i>Employer</i> arising from death or bodily injury or property damage and for which the <i>Contractor</i> is legally liable in respect of this contract.</p>	<p>annual policy period.</p>
<p>Section 5 – Motor Vehicle Third Party Liability Insurance</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 death or bodily injury to any person or loss or damage to third party property arising out of the use of motor vehicles by employees of the insured in connection with this 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 will contain an</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>indemnity to principals clause under which the <i>Client</i> will 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 <i>Contractor</i> is legally liable in respect of this Contract.</p>	
<p>Section 6 Professional Indemnity Insurance</p> <ol style="list-style-type: none"> 1. insured <i>Contractor</i> 2. Interest To indemnify the insured for all sums which the insured shall become legally liable to pay as a result of any claim or claims first made against the insured during the period of insurance (in paragraph 3 below) by reason of any negligent act, error and/or omission in connection with the provision of advice, design, specification and any professional services in connection with this Contract. 3. Period of insurance From the date of the Contract for the duration of the Contract renewable on an annual basis unless agreed otherwise by the parties and a period of twelve (12) years following the expiry or termination of the Contract whichever occurs earlier. 4. Cover features and extensions <ol style="list-style-type: none"> 4.1 Loss of documents and computer records extension. 4.2 In respect of any claims made policy wording retroactive cover 	<p>Five million pounds (£5,000,000) in respect of any one claim and in the annual aggregate.</p>

Insurance type and scope of insurance coverage	Minimum amount of cover or minimum limit of indemnity
<p>from the date of the Contract or retroactive date no later than the date of the Contract.</p> <p>5. Principal exclusions</p> <p>5.1 War and related perils.</p> <p>5.2 Nuclear/radioactive risks.</p> <p>5.3 Insolvency of the insured.</p> <p>5.4 Liability for death, illness, disease or bodily injury sustained by employees of the insured arising out of the course of their employment.</p>	