



Ministry
of Defence



Command Support Air Transport (CSAT) Phase 2

Draft Contract Schedule 20 (Required Insurance)

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Required Insurance:**1. Third Party Public and (Non-Aviation) Products Liability Insurance****1.1. Insured**

Contractor

1.2. Interest

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

- 1.2.1. death or bodily injury to or sickness, illness or disease contracted by any person;
- 1.2.2. loss of or damage to property;

happening during the Period of Insurance and arising out of or in connection with the Contract.

1.3. Limit of Indemnity

Not less than [ten million pounds (£10,000,000)] in respect of any one occurrence, the number of occurrences being unlimited, but [ten million pounds (£10,000,000)] any one occurrence and in the aggregate per annum in respect of products and pollution liability (to the extent covered by the policy).

1.4. Territorial Limits

United Kingdom

1.5. Period of Insurance

From the date of this Contract for the duration of the Contract and renewable on an annual basis unless agreed otherwise.

1.6. Principal Cover Features and Extensions

- 1.6.1. Indemnity to principals clause.
- 1.6.2. Legal defence costs
- 1.6.3. Contingent motor liability

1.7. Principal Exclusions

- 1.7.1. War and related perils.
- 1.7.2. Nuclear and radioactive risks.
- 1.7.3. Liability for death, illness, disease or bodily injury sustained by employees of the Insured during the course of their employment.
- 1.7.4. Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles.
- 1.7.5. Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.
- 1.7.6. 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.
- 1.7.7. Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- 1.7.8. Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

1.8. Maximum Deductible Threshold

Not to Exceed [*Maximum Deductible threshold to be agreed with bidder*] for each and every third party property damage claim (personal injury claims to be paid in full).

Note = Bidder required to confirm. See bidder insurance response table in DEFFORM 47

2. Hangar Keepers Liability, Aviation Third Party Liability and Aviation Products Liability Insurance.

2.1. Insured

Contractor

2.2. Interest

[Excluding any indemnity or limitation upon claims in respect of aviation products as set out in DEFCON 684 and flights liability as set out in DEFCON 638] to indemnify the Insured's legal liability arising out of

2.2.1. death, or bodily injury, illness, disease contracted by any person;

2.2.2. loss of or damage to property

happening during the Period of Insurance and arising out of or in connection with the Contract excluding legal liability in respect of non-aviation liability coverage specified in paragraph 1, Third Party Public and (Non-Aviation) Products Liability Insurance of this Annex H, Required Insurances.

2.3. Limit of Indemnity

Not less than a combined single limit for bodily injury and property damage, [one hundred million Pounds (£100,000,000)] any one occurrence the number of occurrences being unlimited but in the annual aggregate in respect of aviation product liability.

2.4. Territorial Limits

Worldwide

2.5. Period of Insurance

From the date the relevant risk commences and for the duration of the Contract and renewable on an annual basis unless agreed otherwise.

2.6. Principal Cover Features and Extensions

2.6.1. Supplementary payments clause (AVN76).

2.6.2. Property in the care, custody and control of the Contractor.

2.6.3. Personal Injury Extension AVN60A.

2.6.4. Contracts (Rights of Third Parties) Act 1999 Exclusion clause AVN 72.

2.7. Principal Exclusions

2.7.1. Asbestos Exclusion Clause 2488AGM00003.

2.7.2. Date Recognition Exclusion Clause AVN 2000A.

2.7.3. Nuclear Risks Exclusion Clause AVN 38B.

2.7.4. Noise and Pollution and Other Perils Exclusion Clause AVN 46B.

2.7.5. War, hijacking and other perils exclusion clause (AVN48B).

2.8. Maximum Deductible Threshold

In respect of property damage claims under the hangar keeper's liability section of the policy, a maximum of *[Maximum Deductible threshold to be agreed with bidder]* of the total reinstatement or replacement value of the property. Otherwise, not to exceed *[Maximum Deductible threshold to be agreed with bidder]* each and every claim.

[WDC = Bidder required to confirm. See bidder response table.]

3. Property Damage "All Risks" Insurance

3.1. Insureds

3.1.1. The Contractor

3.1.2. The Authority

each for their respective rights and interests.

3.2. Insured Property

All Issued Property and Articles for which the Contractor is responsible in connection with the Contract.

3.3. Coverage

"All risks" of physical loss or damage to the Insured Property from any cause not excluded.

3.4. Sum Insured

At all times an amount not less than the total reinstatement or replacement value of the Insured Property.

3.5. Maximum Deductible Threshold

Not to Exceed *[Maximum Deductible threshold to be agreed with bidder]* for each and claim.

Note = Bidder required to confirm. See bidder insurance response table in DEFFORM 47.

3.6. Territorial Limits

United Kingdom

3.7. Period of Insurance

From the date the relevant risk commences and for the duration of the Contract and renewable on an annual basis unless agreed otherwise.

3.8. Principal Cover Features & Extensions

3.8.1. Terrorism.

3.8.2. Automatic reinstatement of sum insured.

3.8.3. Multiple insured, non-vitiation, waiver of subrogation and notification of cancellation.

3.9. Principal Exclusions

3.9.1. War and related perils.

3.9.2. Nuclear/radioactive risks.

3.9.3. Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

3.9.4. Wear, tear and gradual deterioration.

3.9.5. Consequential financial losses.

3.9.6. Cyber risks.

4. United Kingdom Compulsory Insurances

4.1. The Contractor is required to meet its United Kingdom and all other statutory insurance obligations in full. Insurances are required to comply with all statutory requirements including, but not limited to, United Kingdom employers' liability insurance and motor third party liability insurance.

4.2. The insurance, employers' liability insurance shall contain an indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority arising from the acts or omissions or the performance by the Contractor under this Contract.

4.3. Where relevant, motor third party airside liability insurance with a limit of indemnity of not less than fifty million pounds (£50,000,000) in respect of any one occurrence the number of occurrences being unlimited in any annual period of insurance in respect of any relevant claims associated with the Contract.

[5. Aircraft Hull "All Risks" Insurance]

[Note to Tenderers: This Schedule will be updated at Contract award]

5.1 Insureds

5.1.1 Contractor

5.1.2 Authority

each for their separate interests.

5.2 Insured Property

- 5.2.1 Aircraft operated by the Insured, the property of the Insured, leased or loaned to the Insured or in their care, custody or control, for which the Insured will deliver the Services.
- 5.2.2 Aircraft spare engines, spare parts, components and equipment (including equipment fitted to aircraft and employees' tools), ground support equipment, medical equipment and all other equipment used in connection with the Insured's aviation operations related to the Services.

5.3 Coverage

All Risks" of physical loss of, or damage to the insured property (as set out in paragraph 5.2) from any cause not excluded.

5.4 Sum Insured

- 5.4.1 Agreed value of the Insured Property (as set out in paragraph 5.2.1) as per the schedule of aircraft subject to a maximum agreed value of [**value to be agreed with Bidder**] for any one aircraft.
- 5.4.2 [**Value of paragraph 5.2.2 to be agreed with bidder**]

5.5 Maximum Deductible Threshold

Not to exceed [**maximum deductible threshold to be proposed by Bidder**] each and every claim

5.6 Period of Insurance

From the date upon which the relevant Aircraft Hull "All Risks" Insurance risk commences, which shall be no later than the date of this Contract and for the duration of this Contract and renewable on an annual basis unless agreed otherwise by the Authority in writing.

5.7 Principal exclusions

- 5.7.1 Nuclear risk exclusion clause in accordance with prevailing aviation insurance market practice AVN38B
- 5.7.2 War, hi-jacking and other perils exclusion clause in accordance with prevailing aviation insurance market practice AVN48B
- 5.7.3 Contracts (Rights of Third Parties) Act exclusion clause in accordance with prevailing aviation insurance market practice AVN72
- 5.7.4 Mechanical breakdown
- 5.7.5 Wear, tear and gradual deterioration
- 5.7.6 Date recognition exclusion in accordance with prevailing aviation insurance market practice AVN2000A subject to AVN2001A.

[6. Aircraft Hull War Risks Insurance]

[Note to Tenderers: This Schedule will be updated at Contract award]

6.1 Insureds

6.1.1 Contractor

6.1.2 Authority

each for their separate interests.

6.2 Insured Property

In accordance with Aircraft Hull "All Risks" Insurance.

6.3 Coverage

Physical loss or damage to the Insured Property arising from:

6.3.1 War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power;

6.3.2 Strikes, riots, civil commotions or labour disturbances;

6.3.3 Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting there from is accidental or intentional;

6.3.4 Any malicious act or act of sabotage;

6.3.5 Confiscation, nationalisation, seizure, restraint, detention, appropriations, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority; and

6.3.6 Hi-jacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured.

6.4 Sum Insured

[value to be agreed with Bidder] any one aircraft, with no aggregate limit in respect of all loss or damage to aircraft during the period for any one location, other than extortion, hijack and confiscation expense which is limited to **[value to be agreed with Bidder]** policy aggregate limit any one loss and in all.

6.5 Maximum Deductible Threshold

Not to exceed **[maximum deductible threshold to be proposed by Bidder]** each and every claim.

6.6 Territorial Limits

Worldwide subject to the geographical areas exclusion clause in accordance with prevailing aviation insurance market practice LSW617G.

6.7 Period of Insurance

From the date upon which the relevant Aircraft Hull War Risk Insurance risk commences, which shall be no later than the date of this Contract and for the duration of this Contract and renewable on an annual basis unless agreed otherwise by the Authority in writing.

6.8 Principal Exclusions

In the event of an outbreak of war between any of the five major powers only coverage shall terminate automatically.