

Joint Schedule 3 (Insurance Requirements)

1. OBLIGATION TO MAINTAIN INSURANCES

- 1.1 Without prejudice to its obligations to the Buyer under this Contract, including its indemnity obligations, the Supplier shall for the periods specified in this contract take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex A below 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 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 Supplier 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:
 - 1.3.1 reputable;
 - 1.3.2 lawfully carrying on such insurance business in the United Kingdom;
 - 1.3.3 of good financial standing;
 - 1.3.4 appropriately regulated; and
 - 1.3.5 except in the case of any Insurances provided by an Affiliate of the Supplier, of good repute in the international insurance market.
- 1.4 Where any Insurances are provided by an Affiliate of the Supplier, the Supplier shall provide to the Buyer on the Effective Date (or inception of the relevant Insurances if later) and thereafter within ten (10) Working Days of written request from the Buyer evidence of good financial standing of the relevant Affiliate in a form satisfactory to the Buyer. In the absence of a Financial Distress Event, the Buyer shall not make any such request more than annually.
- 1.5 The Supplier shall ensure that the public and products liability policy shall contain an indemnity to principals clause 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 Services and for which the Supplier is legally liable.

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 the Services as it would be reasonable

to expect of a prudent contractor. 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; 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 any of the Insurances 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 the Buyer shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

4. EVIDENCE OF INSURANCES

- 4.1 The Supplier 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 the Buyer, that the Insurances are in force and effect and meet in full the requirements of this Schedule Receipt of such evidence by the Buyer shall not in itself constitute acceptance by the Buyer or relieve the Supplier of any of its liabilities and obligations under this Contract.

5. AGGREGATE LIMIT OF INDEMNITY

- 5.1 Where the minimum limit of indemnity required in relation to any of the Insurances is specified as being "in the aggregate":
 - 5.1.1 if a claim or claims which do not relate to this Contract are notified to the insurers which, given the nature of the allegations and/or the quantum claimed by the third party(ies), 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 Supplier shall immediately submit to the Buyer:
 - (a) details of the policy concerned; and
 - (b) its proposed solution for maintaining the minimum limit of indemnity specified; and

5.1.2 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 Contract are paid by insurers, the Supplier shall:

- (a) ensure that the insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified for claims relating to this Contract; or
- (b) if the Supplier 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 the Buyer 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 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 Without prejudice to the Supplier'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 Annex.

7. INSURANCE CLAIMS

7.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Services and/or this 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 the Services and/or this Contract, the Supplier shall co-operate with the Buyer and assist it in dealing with such claims at its own expense 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 relating to or arising out of the provision of the Services 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, then where any liability arises out of or in connection with any act, omission, breach or default by the Supplier or Supplier Staff or any Supplier Related Party the Supplier shall be liable for such excess or deductible.

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- 7.5 Notwithstanding any other provision in this Schedule the Supplier shall not be entitled to recover from the Buyer any sum paid or payable by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

ANNEX A REQUIRED INSURANCES

PART A: THIRD PARTY PUBLIC AND PRODUCTS LIABILITY INSURANCE

1. Interest

- 1.1 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 accidental:
 - 1.1.1 death or bodily injury to or sickness, illness or disease contracted by any person; and
 - 1.1.2 loss of or damage to property;
 - 1.1.3 happening during the period of insurance and arising out of or in connection with the provision of the Services and in connection with this Contract.

2. Limit of indemnity

- 2.1 Two million pounds (£2,000,000).

3. Period of insurance

- 3.1 From the date of this Contract for the Contract Period and renewable on an annual basis unless agreed otherwise by the Buyer in writing.

PART B: PROFESSIONAL INDEMNITY INSURANCE

1. Interest

- 1.1 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 by reason of any negligent act, error and/or omission arising from or in connection with the provision of the Services.

2. Limit of indemnity

- 2.1 Two million pounds (£2,000,000).

3. Period of insurance

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

PART C: EMPLOYERS LIABILITY

1. Interest

- 1.1 To indemnify the insured in respect of all sums which the insured shall become legally liable to pay during the period of insurance and arising out of or in connection with the provision of the Services and in connection with this Contract.

2. Limit of indemnity

- 2.1 Five million pounds (£5,000,000).

3. Period of insurance

- 3.1 From the date of this Contract for the Contract Period and renewable on an annual basis unless agreed otherwise by the Buyer in writing.

PART D: UNITED KINGDOM COMPULSORY INSURANCES

The Supplier shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance and motor third party liability insurance.