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National Highways

Insurance Broker Services

Specification

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# Definitions

A list of definitions referenced throughout this document can be found below.

**Customer / Buyer**

National Highways Limited

**Supplier**

Appointed supplier for Insurance Broker Services

**Contract**

The National Highways Insurance Broker Services 2023 - 2026

**Traffic Officer Vehicle (TOV)**

A fully functional traffic officer vehicle supplied for operational use by National Highways Limited

**Asset Delivery Vehicle (AD)**

A fully functional Asset inspector or pool car vehicle for operational use by National Highways Limited

**Company car / personal user (PUS)**

A vehicle supplied to an employee to utilise for both business and personal use

**National Highways National Fleet Team**

The customers team responsible for the delivery and management of all managed vehicles on behalf of National Highways Limited

**Hire Cars**

All vehicles hired through our Public Sector Vehicle Hire Solutions suppliers on short term and long-term basis.

# Introduction

National Highways will be appointing a Supplier for the provision of Insurance Broker Services to support the procurement of a range of insurance services as details in section five (5).

# Background

National Highways Limited (formerly Highways England Company Limited) operates across the length and breadth of England, and is a Government Arm’s Length Body which plans, designs, builds, operates, and maintains England’s motorways and major A roads, known as the strategic road network (SRN).

Functions in support of this require National Highways to operate vehicles that include Traffic Officer operational vehicles that patrol the road network, Asset Delivery operational vehicles that inspect all assets such as roads and structures across England and company car / personal user scheme vehicles utilised by employees with a vehicle for their job needs contractually.

This document outlines the requirements for Vehicle Insurance provision for vehicles across the Traffic Officer Service (TOS), Asset Delivery operations (AD) and Company car / Personal user scheme vehicles (PUS), national hire car and Director and Officer liability insurance.

The specific contents of this document as detailed below may not be varied by the Supplier without prior agreement from the Buyer.

# Insurance requirements

Currently, National Highways owns and operates both owned, leased and hired vehicles for the purpose of supporting many operations across the SRN. For this purpose and as a minimum legal requirement, it is necessary for us as a business to be insured on a minimum basis of third-party cover.

Insurance policies currently in use with National Highways are as follows:

1. Traffic officer vehicle – Third party cover
2. Asset delivery operational vehicle – Third party cover
3. Personal user scheme vehicle – Third party cover
4. National hire car – Fully comprehensive
5. Director & Officers Liability insurance

Each policy shall be set as its own package.

Annex A to this document provides further information of the insurance provisions required by the Buyer.

# Brokerage services requirements

The Supplier will work in support of the Buyer to deliver the below requirements.

1. Use of market knowledge, market enquiries and engagement with the Buyer to obtain quotes for insurance policies detailed on terms that represent the best value for money and cover for our business needs.
2. Provide ongoing negotiations where necessary in line with seeking best outcomes for point 1.
3. Provide a dedicated contact / team to support National Highways throughout the lifecycle of the contract. This could be for general queries, Insurance related support and renewal quotations where relevant.
4. Where necessary act as the intermediary between National Highways and the Insurer(s).
5. Provide the necessary quotations for consideration by the buyer for a minimum of 30 days before the end of each relevant policy.
6. Manage collation of renewal questionnaires.
7. Checking renewal quotations and insurers documentation for validity and value for money.
8. Chair renewal meetings as required and detail with presentations the proposals for the period that follows which is in review.

The Supplier’s Account Manager / management team shall work proactively and with the Buyer to develop strategies and initiatives reviewing the possibilities to:

* secure savings.
* deliver efficiencies relating to the relevant policies to manage the Buyer’s account.
* support environmental efficiencies / Green agenda where applicable.
* support the Buyer in meeting internal or Government policy standards (for example the Government Fleet Commitment).
* review possible innovations that may be of benefit to National Highways.

The Supplier shall provide a helpdesk facility to assist the Buyer’s end users with queries regarding the services provided under the Contract.

The Buyer must be kept informed of all such activities and outcomes.

The Supplier must be and remain compliant with relevant insurance regulations and accreditations throughout the contract period such as complying with any FCA regulation and registration.

# Brokerage Service Responsibilities

Broker services required are as, but not limited to, those outlined below:

1. Fact find to determine demands and needs
2. Understanding of organisation, risk appetite and requirements
3. Implementation and / or Renewal Planning

2. Data Collection

3. Prepare and submit presentation to insurers via the Crown Commercial Services RM6138 Insurance Services 3 Dynamic Purchasing System (DPS)

4. Obtain and ensure terms are suitable for the Buyer including activities that may include market review, suitability, and recommendation

5. Placement of required Insurance Policies in adherence to the aforementioned DPS

6. Post Placement

7. General advice/administration/account management

8. Claims Services

9. Management and Administration of Premiums as required

It is essential that the Supplier has extensive knowledge and understanding of the UK Insurance Industry. This includes the requirements that relate to the insurance of motor vehicles and the management of insurance claims that may relate, as well as Directors and Officers Liability Insurance.

All relevant policies must be in place by 1st April 2023 and each anniversary date after. This includes any timescales required to meet any appropriate governance of the Buyer.

The Supplier must adhere to the terms and rules of the Crown Commercial Services RM6138 Insurance Services 3 Dynamic Purchasing System.

**Buyer / Supplier Meetings**

The Supplier shall set up and chair bi-annual meetings with the Insurer(s) to discuss and review current performance, review any issues, provide updates and/or any other relevant agenda items.

The Supplier shall arrange and chair a number of meetings as required for the planning and fact find in preparation of the presentation to Insurers.

The Supplier will be based in their offices. Meetings will be predominately virtual by Teams or similar.

**Invoicing**

The Supplier shall provide one combined fee for each package. Invoicing arrangements will be confirmed.

# Annex A: Insurance Requirements of the Buyer

The nominated insurance provider will work in support of the buyer to deliver the below requirements.

* Provide a means of claims reporting 24 / 7 / 365 to suitably support all operations of National Highways business.
* Provide a solution to ensure that all National Highways insured vehicles are added to the MID (Motor Insurance Database).
* Manage claims under the terms of the relevant policy to the level of support required by the Buyer, seeking best outcomes on behalf of National Highways.
* In the case of third party only cover policies, this requires a 3rd party claims specialist to manage claims where National Highways have suffered a loss (i.e. claim made by us to a 3rd party).
* Provide reporting that details claim history in support of all managed events, including all costs associated.
* Provide advice regarding ongoing claims where applicable.
* Provide means to allow for driver details who have carried out certain ‘operational’ type duties to be exempt from addition to any Insurance claims reporting mechanism.
* Suitable Directors & Officers Liability insurance to match or better current arrangements.

1. **Asset Delivery Long-Term Lease/Personal Use Insurance**

National Highways has a contract for provision of insurance broker services to support the procurement of third-party motor Insurance for the Asset Delivery Long-Term/Personal Use Lease vehicles. Insurance cover is required in respect of any motor vehicle owned or leased by National Highways or in the care, custody, or control or for which they are legally responsible.

Motor insurance terms will be requested on the following basis of cover:

a) The basis of the insurance cover is comprehensive cover in respect of any motor vehicle owned by the Highways or in their custody or control or for which they are legally responsible.

b) Drivers driving by any licensed and authorised person employed by National Highways.

c) Vehicle use for the business of National Highways, social and domestic use.

d) Limit of indemnity will include third party death and injury (unlimited), damage to third party vehicles (cars £20M and commercial vehicles £5M).

It is anticipated that Motor insurance terms will be requested on the following levels of excess:

1. Comprehensive with a GBP 500 excess each and every claim in respect of Accidental Damage, Fire and Theft and Windscreen.

2. Comprehensive basis of cover with a GBP 500 excess each and every claim in respect of Accidental Damage, Fire and Theft and Windscreen (as current).

3. Social domestic and pleasure and the business use of National Highways

The current and estimated number of vehicles to be covered by this insurance is shown below:

|  |  |
| --- | --- |
|  | **Number of vehicles in Asset Delivery Long-Term Lease / Personal Use fleet** |
| Number of Vehicles | 270 |

1. **Asset Delivery Operational Fleet Insurance**

Third-Party Insurance cover is required in respect of any motor vehicle owned or leased by National Highways or in the care, custody, or control or for which they are legally responsible. For the Operational Fleet, National Highways self-insures for own fault incidents. However, there remains a risk of claims by third parties for damage and for personal injury. Personal injury claims are generally costly and difficult to quantify.

Motor insurance terms will be requested on the following basis of cover:

a) Basis of insurance cover is Third-Party Only cover in respect of any motor vehicle owned by the National Highways or in their custody or control or for which they are legally responsible.

b) Drivers driving by any licensed and authorised person employed by National Highways.

c) Vehicle use is for the business of National Highways only.

d) Limit of indemnity is Third-party death and injury (unlimited), damage to third party vehicles (cars £20M and commercial vehicles £5M).

The current and estimated number of vehicles to be covered by this insurance is shown below:

|  |  |
| --- | --- |
|  | **Number of vehicles in Asset Delivery Operational fleet** |
| Number of Vehicles | 330 |

1. **Director & Officers’ (D&O) Insurance**

Annual directors’ and officers’ liability insurance (“D&O Insurance”) covers all directors and executives of the company. A Director is defined under the policy as; -

1. Any natural person who was, is, or during the period of insurance becomes a director, partner, member, or officer of the Company.

2. Any de facto director of the Company whilst acting in such capacity for the Company.

3. Any shadow director as defined under Section 250 of the Companies Act 2006.

4. Any employee of the Company.

5. The lawful spouse, civil or unmarried partner of any person above solely because of their spousal, civil or unmarried partner relationship following a claim against that person.

6. The estates, heirs, or legal representatives of any person above who has died or become incapacitated, insolvent, or bankrupt but only for a claim against that person.

It is a requirement of the Company’s Articles of Association that the company is required to have in place Director & Officers insurance cover.

1. **Hire Car Insurance Cover**

National Highways has a requirement to provide Motor insurance for those employees driving hire cars whilst on company business. There is a necessity to ensure that National Highways employees that hire cars for business purposes are insured. It is anticipated that Motor insurance terms will be requested on the following basis of cover:

1. Comprehensive with a GBP 250 excess each and every claim in respect of Accidental Damage, Fire and Theft and Windscreen.
2. Comprehensive basis of cover with a GBP 500 excess each and every claim in respect of Accidental Damage, Fire and Theft and Windscreen (as current).
3. Social domestic and pleasure and the business use of National Highways.

The number of estimated hire days required to be insured for 2023 - 26 is shown below:

|  |  |
| --- | --- |
| **Category** | **2023 - 2026 Estimated Number of  Hire Days** |
| Number of Owned or Leased Vehicles | Nil |
| Number of Hire Days Anticipated Annually | 30,000 (90,000 over 3 years) |

1. **Traffic Officer Service - Insurance Broker Services and Third-Party Motor Insurance**

Since April 2004 National Highways has operated a uniformed patrol service on the Strategic Road Network in England under the Traffic Officer Service (the Service). To deliver the Service a fleet of liveried vehicles are driven by its employees every day of the year and on a 24-hour basis. On the 1st of April 2015, the move to National Highways and the change of status from part of central government and the Civil Service to a publicly owned government corporation. This change of status triggered a requirement to provide Motor Vehicle Third-Party Liability Insurance for those employees driving vehicles whilst on employed on the business of the Service.

For the Traffic Officer fleet, National Highways self-insures for own fault incidents. However, there remains a risk of claims by third parties for damage and for personal injury. Personal injury claims are generally costly and difficult to quantify.

Motor insurance terms are on the following basis of cover:

1. Basis of insurance cover is Third-Party Only cover in respect of any motor vehicle owned by the National Highways or in their custody or control or for which they are legally responsible.
2. Driving by any licensed and authorised person employed by National Highways.
3. Vehicle use is the business of National Highways only
4. Limit of indemnity is third-party death and injury unlimited, damage to third-party vehicles: cars £20M and commercial vehicles £5M.

The current number of vehicles to be covered is shown below, which includes the estimated number of additional vehicles to be procured during 2023/27.

|  |  |
| --- | --- |
|  | **Number of vehicles in Traffic Officer Service fleet** |
| Number of Vehicles | 356 |