# Joint Schedule 3 (Insurance Requirements)

### **The Insurance You Need To Have**

* 1. The Supplier shall take out and maintain, or procure the taking out and maintenance of the insurances as set out in the Annex to this Schedule, any additional insurances required under a Call-Off Contract (specified in the applicable Order Form) ("**Additional Insurances**") 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:
		1. the Framework Start Date in respect of those Insurances set out in the Annex to this Schedule and those required by applicable Law; and
		2. the Call-Off Contract Effective Date in respect of the Additional Insurances.
	2. The Insurances shall be:
		1. maintained in accordance with Good Industry Practice;
		2. (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time;
		3. taken out and maintained with insurers of good financial standing and good repute in the international insurance market; and
		4. maintained until the End Date except in relation to Professional Indemnity where required under the Annex which shall be maintained for at least 6 years after the End Date.
	3. The Supplier shall ensure that the public and products liability policy contain an indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Deliverables and for which the Supplier is legally liable.

### **How to Manage the Insurance**

* 1. Without limiting the other provisions of this Contract, the Supplier shall:
		1. take or procure the taking of all reasonable risk management and risk control measures in relation to Deliverables as it would be reasonable to expect of a prudent contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;
		2. promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware; and
		3. Hold all policies in respect of the Insurances and cause any insurance broker affecting the Insurances to hold any insurance slips and other evidence of placing cover representing any of the Insurances to which it is a party.

### **What Happens If You Aren’t Insured**

* 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.
	2. Where the Supplier has failed to purchase or maintain any of the Insurances in full force and effect, the Authority may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances and recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

### **Evidence of Insurance You Must Provide**

* 1. The Supplier shall upon the Start Date and within 15 Working Days after the renewal of each of the Insurances, provide evidence, in a form satisfactory to the Authority, that the Insurances are in force and effect and meet in full the requirements of this Schedule.

### **Making Sure You Are Insured To The Required Amount**

* 1. The Supplier shall ensure that any Insurances which are stated to have a minimum limit "in the aggregate" are maintained at all times for the minimum limit of indemnity specified in this Contract.
	2. Where the Supplier intends to claim under any of the Insurances for any matters that are not related to the Deliverables and/or this Contract, the Supplier shall, where such claim is likely to result in the level of cover available under any of the Insurances being reduced below the minimum limit of indemnity specified in this Schedule, promptly notify the Authority and provide details of its proposed solution for maintaining the minimum limit of indemnity specified in this Schedule.

### **Cancelled Insurance**

* 1. The Supplier shall notify the Authority in writing at least 5 Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.
	2. The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Authority (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

### **Insurance Claims**

* 1. The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Deliverables, or each Contract for which it may be entitled to claim under any of the Insurances. In the event that the Authority receives a claim relating to or arising out of a Contract or the Deliverables, the Supplier shall cooperate with the Authority and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.
	2. Except where the Authority is the claimant party, the Supplier shall give the Authority notice within 20 Working Days after any insurance claim in excess of 10% of the sum required to be insured pursuant to Paragraph 5 relating to or arising out of the provision of the Deliverables 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 Authority) full details of the incident giving rise to the claim.
	3. Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.
	4. Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

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# ANNEX: REQUIRED INSURANCES

**PART A: THIRD PARTY PUBLIC AND PRODUCTS LIABILITY INSURANCE**

1. Insured

The Supplier

1. **Interest**
	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. death or bodily injury to or sickness, illness or disease contracted by any person; and
		2. loss of or damage to physical property;

happening during the period of insurance (as specified in Paragraph 5) and arising out of or in connection with the provision of the Deliverables and in connection with this Contract.

1. **Limit of Indemnity**
	1. Not less than £[to be determined by the Authority] in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period, but £[to be determined by the Authority] in the aggregate per annum in respect of products and pollution liability (to the extent insured by the relevant policy).

***[Guidance: The Authority should set the Limit of Indemnity by way of an insurable risk review (supported by the Authority’s professional insurance adviser). The level specified in the limit of indemnity above should be predicated upon:***

* ***The risk profile represented by the Authority requirement in question***
* ***Potential frequency and severity of claims and losses (not the value of the contract) relative to the risk exposure***
* ***Insurance market availability in prevailing insurance market conditions.***

***The wording on the limit of indemnity for third party public and products liability reflects what is available in UK insurance market conditions for this type of insurance only. While insurance is available in the UK on this basis, it may not be available in other parts of the world, in which case Suppliers may need to seek an alternative UK insurance policy on this basis.]***

1. **Territorial Limits**

**[United** **Kingdom]**

***[Guidance: The Authority should populate any additional territories relative to the service delivery. The Annex drafting reflects United Kingdom insurance market conditions and availability only. Where there is an overseas requirement consider obtaining professional insurance advice to set the appropriate requirement in the Annex]***

1. **Period Of Insurance**

From the date of this Contract for the period of this Contract (including any Call-Off Contract) and renewable on an annual basis unless agreed otherwise by the Authority in writing.

1. **Cover Features and Extensions**

Indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with this Contract and for which the Supplier is legally liable.

***[Guidance: As part of the insurance review the Authority should consider what additional cover features and extensions may be required to protect its interests (e.g. contractual liability extension and legal defence costs in addition to the limit of indemnity). The Authority may need to seek professional subject matter insurance advice in this regard.]***

1. **Principal Exclusions**
	1. War and related perils.
	2. Nuclear and radioactive risks.
	3. Liability for death, illness, disease or bodily injury sustained by employees of the Insured arising out of the course of their employment.
	4. Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
	5. Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.
	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.
	7. Liability arising from the ownership, possession or use of any aircraft or marine vessel.
	8. Liability arising from seepage and pollution unless caused by a sudden, unintended, unexpected and accidental occurrence.
2. **Maximum Deductible Threshold**

Not to exceed **£ [Insert:** figure on contract award based on the Supplier’s acceptable response to the Invitation To Tender] for each and every third party property damage claim (personal injury claims to be paid in full).

**PART B: UNITED KINGDOM COMPULSORY INSURANCES**

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

**PART C: ADDITIONAL INSURANCES**

***[Guidance: You may wish to consider including the following additional required insurances. The Authority may need to seek professional subject matter insurance advice in this regard. Examples of additional insurance are:***

|  |  |
| --- | --- |
| Professional Indemnity Insurance | Where the Authority requirement includes a potential breach of professional duty by the Supplier in connection with professional advice and /or professional services to be maintained for 6 years after the End Date |
| Nuclear and Radioactive Risks | Where the Authority requirement falls within Lot 1 (Nuclear) only, and necessitates insurance against Nuclear and Radioactive risks in connection with the Contract or deliverables |