

**AUTHORITY: The Secretary of State for the Home  
Department**

**Schedule 2.5  
Insurance Requirements**

**Gatwick Estate  
(Brook House, Tinsley House with Pre-Departure  
Accommodation)  
Immigration Removal Centres Contract and PDA  
Contract**

**Insurance Requirements**

**1. OBLIGATION TO MAINTAIN INSURANCES**

- 1.1 Without prejudice to its obligations to the Authority under this Contract, including its indemnity obligations, the Supplier shall for the periods specified in this Schedule take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex 1 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 contractor 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:
- (a) of good financial standing;
  - (b) appropriately regulated; and
  - (c) 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 Authority on the Effective Date (or inception of the relevant Insurances if later) and thereafter within 10 Working Days of written request from the Authority evidence of good financial standing of the relevant Affiliate in a form satisfactory to the Authority. In the absence of a Financial Distress Event, the Authority shall not make any such request more than annually.
- 1.5 Other than in respect of insurances required by Law, the Supplier shall name the Authority as a co-insured with any other party maintaining the insurance and the policies of Insurance shall;
- (a) Provide for non-vitiation protection in respect of any claim made by the Authority as a co-insured as set out in Annex 2 Insurance Endorsements and;
  - (b) Contain a clause waiving the insurers subrogation rights against the Authority as co-insured as set out in Annex 2 Insurance Endorsements and;
  - (c) Provide for thirty (30) days prior written notice of their cancellation, non-renewal or amendment to the Authority as set out in Annex 2 Insurance Endorsements

**2. GENERAL OBLIGATIONS**

- 2.1 Without limiting the other provisions of this Contract, the Supplier shall:
- (a) 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 acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;

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- (b) promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware including complying with the obligation of fair presentation under the Insurance Act 2015; and
  - (c) 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.
- 2.2 The Supplier undertakes to the Authority not to permit or agree any wording in any insurance policy which would permit any commercial insurer; or any commercial insurer's successors or permitted assigns; or any other person claiming by or through a commercial insurer to bring any claim under the Riot Compensation Act 2016 in respect of any loss, damage or destruction to the removal centre, the site or any physical assets associated with this Contract. This undertaking shall be for the benefit of any police authority in the United Kingdom and the statutory successors of any such police authority, each of which may enforce the terms of this clause against the Supplier and/or its successors and permitted assigns (as appropriate) and shall be binding upon the Supplier and each of its successors and permitted assigns.

### **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 Authority may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances, and the Authority 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**

The Supplier shall upon the Effective Date and within 15 Working Days after the renewal or replacement 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. Receipt of such evidence by the Authority shall not in itself constitute acceptance by the Authority or relieve the Supplier of any of its liabilities and obligations under this Contract.

### **5. CANCELLATION**

- 5.1 Subject to Paragraph 6.2, 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.
- 5.2 Without prejudice to the Supplier's obligations under Paragraph 4, Paragraph 6.1 shall not apply where the termination of any Insurance 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 Schedule.

**6. INSURANCE CLAIMS**

- 6.1 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 Authority receives a claim relating to or arising out of the Services and/or this Contract, the Supplier shall co-operate with the Authority and assist it in dealing with such claims at its own expense including without limitation providing information and documentation in a timely manner.
- 6.2 The Supplier shall give the Authority notice within 20 Working Days after any insurance claim in excess of [REDACTED] 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 Authority) full details of the incident giving rise to the claim.

**7. INSURANCE PREMIUMS AND DEDUCTIBLES**

- 7.1 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.
- 7.2 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.

**8. PROPERTY DAMAGE INSURANCE APPLICATION OF INSURANCE PROCEEDS**

- 8.1 On each and every occasion when the whole or any part of the removal centre, the site or any physical assets associated with this Contract is lost, damaged or destroyed:
- (a) the Supplier shall (and shall procure that every Sub-contractor shall) pay all insurance proceeds received under the Property Damage Insurance policy (as specified in Annex 1) where the total claim value is [REDACTED] or higher, into an insurance proceeds account in the joint names of the Authority and the Supplier. Insurance proceeds below this threshold shall be applied to immediately repair, reinstate or replace the insured property in respect of which the insurance proceeds were received;
  - (b) the Authority shall pay any Property Damage Insurance (as specified in Annex 1) proceeds it receives into the insurance proceeds account;
  - (c) Property Damage Insurance (as specified in Annex 1) proceeds shall be released to the Supplier from the insurance proceeds account with the consent of the Authority (not to be unreasonably withheld or delayed) and the Supplier shall provide all information the Authority may reasonably require in determining whether to grant its consent; and the Supplier shall subject to the Authority's rights pursuant to Clause 33.1 (Termination by the Authority) using Property Damage Insurance (as specified in Annex 1) proceeds and at its own expense reinstate, rebuild and/or replace the removal centre, the site or any physical assets associated with this Contract in a workman-like manner using reasonable skill and care such that the reinstated facilities are:
    - (i) fit for purpose;

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- (ii) to the reasonable satisfaction of the Authority; and
- (iii) in accordance with all such consents and approvals as shall be necessary, together with such drawings and specifications as may be approved in writing by the Authority

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## ANNEX 1: REQUIRED INSURANCES

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

## 1. Insureds

- 1.1 The Supplier
- 1.2 The Authority
- 1.3 Sub-Contractors of any tier

each for their respective rights and interests in the Contract

## 2. Interest

To indemnify the Insured (as specified in paragraph 1) in respect of all sums which the Insured (as specified in paragraph 1) may become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

- (a) death or bodily injury to or sickness, illness or disease contracted by any person; and
- (b) loss of or damage to property;
- (c) interference to property or any easement right of air, light, water or way or the enjoyment or use thereof by obstruction, trespass, nuisance, loss of amenities

happening during the Period of insurance (as specified in paragraph 5) and arising out of or in connection with the provision of the Services and in connection with this Contract.

### 3. Limit of indemnity

[REDACTED] in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period, but [REDACTED] in the aggregate per annum in respect of products and pollution liability (to the extent insured by the policy).

#### 4. Territorial limits

United Kingdom and elsewhere in the world in respect of non-manual visits,

## 5. Period of insurance

From the date of this Contract for the Term and renewable on an annual basis unless agreed otherwise by the Authority in writing.

## 6. Cover features and extensions

- 6.1 Authority co insured status with attendant non-vitiating, waiver of subrogation and notice of cancellation.
- 6.2 Cross liability clause.

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- 6.3 Contingent motor liability.
- 6.4 Legal defence costs in addition to the limit of indemnity.
- 6.5 Provision of first aid.
- 6.6 Health and Safety at Works Act(s) clause.
- 6.7 Public Health Act clause.
- 6.8 Defective Premises Act clause.
- 6.9 Data Protection legislation clause.
- 6.10 Defence, appeal and prosecution costs relating to the Corporate Manslaughter and Corporate Homicide Act.

### **7. Principal exclusions**

- 7.1 War and related perils.
- 7.2 Nuclear and radioactive risks.
- 7.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured (as specified in paragraph 1) during the course of their employment.
- 7.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
- 7.5 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured (as specified in paragraph 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.
- 7.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- 7.8 Liability arising from contamination and pollution unless caused by a sudden, unintended and unexpected accidental occurrence.

### **8. Maximum deductible threshold**

Not to exceed [REDACTED] for each and every third-party property damage claim (personal injury claims to be paid in full). See Gatwick IRCs and PDA Contract - Schedule 2.5 – Insurance Requirements Annex 1.

**PART B: PROPERTY DAMAGE INSURANCE**

**1. Insureds**

- 1.1 The Supplier.
- 1.2 The Authority.
- 1.3 Sub-Contractors of any tier,  
each for their respective rights and interests in the Contract.

**2. Insured property:**

Any physical property of whatsoever nature or description associated with the Contract and provision of the Services that is the property of the Supplier or for which the Supplier may be responsible, used for or in connection with the ownership, maintenance and operation of the Gatwick Estate Immigration Removal Centres and Pre-departure accommodation.

**3. Coverage**

“All Risks” of physical loss, damage or destruction to the Insured property (as specified in paragraph 2) from any cause not excluded, including machinery breakdown and computer breakdown in respect of appropriate equipment.

**4. Sum insured**

At all times an amount not less than the total reinstatement or replacement value of the Insured property (as specified in paragraph 2) plus provision to include other cover features and extensions, as appropriate.

**5. Territorial limits**

United Kingdom including whilst in inland transit.

**6. Period of insurance**

From the date of this Contract for the Term and renewable on an annual basis unless agreed otherwise by the Authority in writing.

**7. Cover features and extensions**

- 7.1 Terrorism.
- 7.2 Automatic reinstatement of sum insured.
- 7.3 Capital additions clause.
- 7.4 Seventy-two (72) hour clause.
- 7.5 European Union local authorities' clause.



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- 7.6 Professional fees.
- 7.7 Debris removal.
- 7.8 Temporary repairs.
- 7.9 Repair/reinstatement basis of claims settlement with cash option for non-reinstatement at the option of the Authority in the event of contractual non-reinstatement.
- 7.10 Waiver of insurers rights to claim under the Riot Compensation Act 2016.
- 7.11 Plans and documents.
- 7.12 Temporary offsite storage.
- 7.13 Cost of labour and computer time expended in reproducing documents and computer records, including accidental or malicious erasure.
- 7.14 Construction/refurbishment all risks for works up to [REDACTED]
- 7.15 Authority co insured status with attendant non-vitiating, waiver of subrogation and notice of cancellation

### **8. Principal exclusions**

- 8.1 War and related perils.
- 8.2 Nuclear and radioactive risks.
- 8.3 Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- 8.4 Wear, tear and gradual deterioration, latent defect, defective design, materials and workmanship but not excluding consequential damage resulting therefrom.
- 8.5 Consequential financial losses.
- 8.6 Cyber risks.
- 8.7 Pollution and contamination to the Insured property (as specified in paragraph 2) other than arising from an event which itself is not otherwise excluded.

### **9. Maximum deductible threshold**

- 9.1 Not to exceed [REDACTED] each and every loss arising as a result of riot, civil commotion, vandalism and malicious damage.
- 9.2 Not to exceed [REDACTED] all other losses.

**PART C: BUSINESS INTERRUPTION INSURANCE**

**1. Insureds**

1.1 The Supplier.

1.2 The Authority,

each for their respective rights and interests in the Contract

**2. Indemnity**

In respect of:

2.1 Loss of anticipated revenue during at least the Minimum indemnity period (as specified in paragraph 4) arising from an interruption or interference in the operation of the Contract and Services as a result of loss, damage or destruction to property covered under Property Damage Insurance (as specified PART B) including physical loss or damage which would be indemnifiable but for the application of any deductible; and

2.2 The economic additional expenditure necessarily and reasonably incurred for the purpose of avoiding or reducing the loss of revenue of the Insured's (as specified in paragraph 1) which without such expenditure would have taken place, during the Minimum indemnity period (as specified in paragraph 4).

**3. Sum insured**

3.1 An amount sufficient to cover the sums the subject of the Indemnity (as specified in paragraph 2) for the Minimum indemnity period (as specified in paragraph 4).

3.2 [REDACTED] in respect of Authority additional increased cost of working.

**4. Minimum indemnity period**

4.1 Not less than the time taken to reinstate the removal centre following a total loss to full operational running including for the avoidance of doubt the time to clear debris, prepare the site and prepare revised work plans.

4.2 Not less than eighteen (18) months in respect of Authority additional increased cost of working (as specified in paragraphs 2.2. and 3.2).

**5. Period of insurance**

5.1 From the date of this Contract for the Term and renewable on an annual basis unless agreed otherwise by the Authority in writing.

**6. Cover features and extensions**

6.1 Terrorism.

6.2 Denial of access.

6.3 Utilities.

6.4 Accountants' clause.

6.5 Automatic reinstatement of sum insured and indemnity period.

6.6 Infectious diseases.

6.7 Authority co insured status with attendant non-vitiation, wavier of subrogation and notice of cancellation.

**7. Principal exclusions**

7.1 Delayed response by a public body or state authority in excess of ninety (90) days.

7.2 As per Property Damage Insurance (as specified in PART B) other than for consequential losses.

**8. Maximum deductible threshold**

8.1 Not to exceed [REDACTED] each and every loss.

**PART D: 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.

The employers' liability insurance and motor third party liability insurance policies shall each contain an indemnity to principals clause.

**ANNEX 2: INSURANCE ENDORSEMENTS**

Unless the context otherwise requires defined terms set out in the following endorsements shall have the meaning set out in this Contract.

**Endorsement 1 Cancellation clause**

This policy shall not be cancelled or terminated before the original expiry date is to take effect except in respect of non-payment of premium.

The insurer shall by written notice, advise the Authority:

1. at least thirty (30) days before any such cancellation or termination is to take effect;
2. at least thirty (30) days before any reduction in limits or coverage or any increase in deductibles is to take effect; and
3. of any act or omission or any event of which the insurer has knowledge, and which might invalidate or render unenforceable in whole or in part this policy.

**Endorsement 2 Multiple insured/non-vitiation clause**

Each of the parties comprising the insured shall for the purpose of this policy be considered a separate co-insured entity, insured on a composite basis, with the words "the insured" applying to each as if they were separately and individually insured provided that the total liability of the insurers under each section of this policy to the insured collectively shall not (unless the policy specifically permits otherwise) exceed the limit of indemnity or amount stated to be insured under that section or policy. Accordingly, the liability of the insurers under this policy to any one insured shall not be conditional upon the due observance and fulfilment by any other insured party of the terms and conditions of this policy or of any duties imposed upon that insured party relating thereto and shall not be affected by any failure in such observance or fulfilment by any such other insured party.

It is understood and agreed that any payment or payments by insurers to any one or more of the insureds shall reduce, to the extent of that payment, insurers' liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.

Insurers shall be entitled to avoid liability to or (as may be appropriate) claim damages from any insured party in circumstances of fraud misrepresentation non-disclosure or material

## OFFICIAL – SENSITIVE

breach of warranty or condition of this policy (each referred to in this clause as a “Vitiating Act”) committed by that insured party save where such misrepresentation non-disclosure or breach of warranty or condition was committed innocently and in good faith.

For the avoidance of doubt, it is however agreed that a Vitiating Act committed by one insured party shall not prejudice the right to indemnity of any other insured who has an insurable interest and who has not committed the Vitiating Act.

Insurers hereby agree to waive all rights of subrogation and/or recourse which they may have or acquire against any insured party (together with their employees and agents) except where the rights of subrogation or recourse are acquired in consequence of a Vitiating Act in which circumstances insurers may enforce such rights against the insured responsible for the Vitiating Act notwithstanding the continuing or former status of the vitiating party as an insured.

Notwithstanding any other provision of this policy or any other document or any act and/or omission by any insured party insurers agree that:

1. no party other than the Authority has any authority to make any warranty, disclosure or representation in connection with this policy on behalf of the Authority;
2. where any warranty, disclosure or representation is required from the Authority in connection with this policy, insurers will contact the Authority in writing (in accordance with Endorsement 3) and set out expressly the warranty, disclosure and/or representation required within a reasonable period of time from the Authority (regarding itself); and
3. save as set out in a request from insurers to the Authority in accordance with 2. above, the Authority shall have no duty to disclose any fact or matter to insurers in connection with this policy save to the extent that for the Authority not to disclose a fact or matter would constitute fraudulent misrepresentation and/or fraudulent non-disclosure.

### Endorsement 3 Communications

All notices or other communications under or in connection with this policy shall be given to each insured (and the Authority) in writing. Any such notice will be deemed to be given if in writing, when delivered;

The address of the Authority for all notices under or in connection with this policy are those notified from time to time by the Authority for this purpose to the Supplier at the relevant time. The initial address and facsimile number of the Authority are as follows:

To:	The Authority:
Address:	Home Office Commercial Delivery 7 <sup>th</sup> Floor, Southern House Wellesley Grove, Croydon, CR0 1XG
Attention:	Senior Commercial Manager

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It is further agreed that a notice of claim given by the Authority or any other insured shall in the absence of any manifest error be accepted by the insurer as a valid notification of a claim on behalf of all insureds.

### **Endorsement 4 Loss Payee (applicable to Property Damage Insurance)**

Subject to the provisions of clause 8 all relevant proceeds of this policy shall be payable without deduction or set-off to the insurance proceeds account.

### **Endorsement 5 Primary insurance**

It is expressly understood and agreed that this policy provides primary cover for the insured parties and that in the event of loss destruction damage or liability covered by this policy which is covered either in whole or in part under any other policy or policies of insurance effected by or on behalf of any of the insured parties the insurers will indemnify the insured parties as if such other policy or policies of insurance were not in force and the insurers waive their rights of recourse if any against the insurers of such other policy or policies of insurance.

### **Endorsement 6 Claims negotiation rights**

Notwithstanding any claim conditions contained herein, the insurers agree that the Authority has the right to settle and negotiate any claims received from third parties subject to prior consultation with the Supplier and insurers on any claim exceeding [REDACTED] and provided that, where the exercise of this right by the Authority results in a settlement in excess of that which would otherwise have been payable in respect of any such claim, the Authority shall not be entitled to any indemnity from insurers to the extent of such excess.

Notice of claim by the Authority and any other party entitled to indemnity under this policy shall in the absence of manifest error be accepted by Insurers as a valid claim subject to the full terms of the policy.

### **Endorsement 7 Riot Compensation Act 2016**

The insurers agree to waive any right they may have (as subrogee or otherwise) to bring any claim under the Riotous Assemblies (Scotland) Act 1822 or the Riot Compensation Act 2016 in respect of:

1. any damage to; or
2. any monies paid for or in respect of the removal centre, the site or any assets.

This waiver is binding upon each of the insurer's successors and permitted assigns and is expressly provided for the benefit of any Police and Crime Commissioner in the United Kingdom and the statutory successors of any such Police and Crime Commissioner, each of which may enforce such waiver against the Insurers and/or their successors and permitted assigns (as appropriate).