

# Transport for London

## Revenue Collection Services

# Schedule 17 – Insurance Requirements

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# Contents

- 1 Insurance Undertakings ..... 3
- 2 Required Insurances ..... 6
  - 2.1 Public Liability Insurance ..... 6
  - 2.2 Product Liability ..... 9
  - 2.3 Professional Indemnity ..... 12
  - 2.4 Employer's Liability ..... 14
- Appendix 1 – Contents of Broker's Notes ..... 16

# 1 Insurance Undertakings

## 1.1.1 The Contractor:

- (a) shall take out and maintain the Required Insurances in full force and effect at all times from the Service Commencement Date until the Expiry Date, or such other period as stated in paragraph 2 of this Schedule, with reputable insurers acceptable to TTL. The Required Insurances shall be maintained on terms that are at least as favourable as those generally available to a prudent contractor in respect of such risks insured in the UK insurance market;
- (b) shall not cancel the Required Insurances or make any material change thereto without the express prior written consent of TTL; and
- (c) may change the insurers with whom the Required Insurances are held, upon notice to TTL at least twenty (20) Business Days prior to any such change if such change takes place during the policy term, or not less than twenty (20) Business Days following the annual renewal of the policy.

1.1.2 The Contractor shall ensure that the public and product liability insurance policies as referred to in paragraphs 2.1 and 2.2 and the employer's liability insurance policy as referred to in paragraph 2.4 shall include an indemnity to principals clause, so that TTL will be treated as if it was also the insured in respect of any liabilities covered by such insurance policies.

1.1.3 The Contractor shall ensure that each Required Insurance policy covers the relevant Contractor's legal liability (including liability assumed under this Contract) which may arise out of, in the course of, or by reason of, the Contractor's or Sub-Contractor's performance, non-performance or part-performance under or in connection with this Contract.

1.1.4 The Contractor shall procure, at no cost to TTL, that the insurers of public liability, product liability and employer's liability insurance shall waive all rights of subrogation or action that insurers may acquire against TTL, provided that TTL shall, as though they were the insured under such Required Insurances, observe, fulfil and be subject to the terms, exclusions, conditions and endorsements of such Required Insurances so far as they can apply.

1.1.5 By not later than the Service Commencement Date, the Contractor shall provide to TTL broker's notes, in the format set out in Appendix 1 to this Schedule, of all relevant policies together with receipts or other evidence of payment of the premiums payable thereunder. Thereafter throughout the Term of the Contract, the Contractor shall provide to TTL within twenty (20) Business Days of a relevant amendment or renewal, or at such other times as TTL may require, any notices of amendment to the policies, cover notes summarising any new policies effected in addition to or replacement or renewal of the policies and receipts or other evidence of payment of the premiums payable thereunder. The Contractor will review all insurance policy limits in consultation with TTL every three (3) Contract Years and increase them as appropriate and reasonable.

1.1.6 Where the Required Insurances contain a care, custody or control exclusion, the relevant policy shall be endorsed so as to delete the exclusion in respect of any property or assets belonging to TTL or for which TTL is responsible, including the

premises of TTL (including contents) that are occupied by the Contractor for the purpose of performing the Services.

- 1.1.7 The Contractor shall not take any action or fail to take action which would entitle the relevant insurer to cancel, rescind or suspend any Required Insurance or cover, or to treat any Required Insurance, cover or claim as avoided in whole or part.
- 1.1.8 The Contractor shall instruct the insurers to notify TTL as soon as possible in writing of any anticipated or actual event or circumstance which may lead or has led to the policies lapsing or being terminated, or the cover under them being reduced or modified. The Contractor shall produce to TTL copies of all such notifications and instructions to the insurers and the insurers' acknowledgement and acceptance of them.
- 1.1.9 The Contractor shall inform TTL in writing immediately of:
- (a) any matter likely to affect the decision of the insurers to grant or to continue any insurance;
  - (b) any event which might affect any such insurance policy; and/or
  - (c) the occurrence of any event against which the Contractor shall have insured and which is likely to result in a claim that:
    - (i) exceeds [REDACTED] or
    - (ii) when added to all other claims that have been made or are likely to be made in relation to or arising out of the same or other events against which the Contractor shall have insured exceeds [REDACTED]  
[REDACTED] For clarity, this shall apply, without limitation, when there is an annual aggregate limit under any of the Required Insurances which may be eroded by claims or incidents, whether arising under this Contract or any other activities undertaken by the Contractor.
- 1.1.10 The Contractor shall promptly and diligently deal with all claims under the Required Insurances and shall comply with the terms and conditions of the Required Insurances and all reasonable requirements of the insurers, including in connection with the prosecution, defence and settlement of claims, the recovery of losses and the prevention of accidents. The Contractor shall bear the cost of all exclusions and limitations under such insurances and shall pay for any excess or deductible. The Contractor shall not take nor fail to take any actions or (insofar as it 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 Required Insurances.
- 1.1.11 In the event of a claim being made under any of the Required Insurances, the proceeds shall promptly be applied by the Contractor in the following order of priority:
- (a) towards any death or personal injury claims;
  - (b) towards reinstatement of the Assets or any elements of the System which are the subject of the claim giving rise to the proceeds; and
  - (c) towards continued performance of the Services in accordance with the requirements of this Contract.

- 1.1.12 In relation to any incident, event, claim or action, the Contractor agrees that TTL shall have the right to control and supervise all dealings with the information media in respect of the relevant incident or event to which the claim or action relates.
- 1.1.13 TTL may purchase public and product liability insurances in the event that the Contractor has failed to maintain in full force and effect such insurances as set out in paragraph 2, provided that prior to exercising its rights under this paragraph 1.1.13, TTL shall provide prior written notice of its intention to the Contractor and the Contractor shall have twenty (20) Business Days to put in place the relevant Required Insurances and provide evidence to TTL. TTL may recover the premium and all other costs and expenses incurred by TTL in doing so as a debt due from the Contractor.
- 1.1.14 Without prejudice to TTL's other rights and remedies under the Contract, if the Contractor has failed to maintain in full force and effect the Required Insurances pursuant to the Contract, and the Contractor fails to put in place such Required Insurances within twenty (20) Business Days of a notice by TTL requiring the Contractor to put in place such Required Insurances, TTL shall have a right to terminate the Contract for material breach pursuant to Clause 78 (TTL's Termination Rights).
- 1.1.15 The Contractor shall ensure that its Sub-Contractors (and any contractors and sub-contractors of any tier) maintain employer's liability insurance and motor liability insurances as required by Law, and professional indemnity insurance covering their liabilities under any Sub-Contracts in respect of any design provided in connection with this Contract.

## 2 Required Insurances

This paragraph 2 sets out the Required Insurances for the purposes of the Contract.

### 2.1 Public Liability Insurance

#### 2.1.1 The Insured

- (a) The Contractor;
- (b) the Sub-Contractors and other contractors and sub-contractors of any tier engaged on or in connection with the Contract; and
- (c) other manufacturers, suppliers, engineers, designers and consultants involved in the Contract,

each for their respective rights and interests.

#### 2.1.2 Period of Insurance

The Term.

#### 2.1.3 Minimum Sum Insured

████████████████████ occurrence (and in the aggregate per annum in respect of pollution and contamination only).

#### 2.1.4 Indemnity Coverage

The legal liability of the insured arising from:

- (a) death, injury, illness or disease of any persons;
- (b) loss of or damage to any property; and/or
- (c) obstruction, loss of amenities, trespass, nuisance or any like cause happening during the period of insurance and arising out of or in connection with this Contract.

#### 2.1.5 Geographical Limits

Worldwide.

#### 2.1.6 Maximum Deductible

██████████ each and every occurrence in respect of loss or damage to property, subject to an annual aggregate cap of ██████████ otherwise nil. Other than in respect of financial loss which shall be subject to a 20% co-insurance to a minimum of ██████████

#### 2.1.7 Required Extensions

- (a) Financial loss extension of not less than ██████████ ██████████ per occurrence;
- (b) Cross liabilities clause;

- (c) Costs in addition to limit of indemnity (excluding USA and Canada);
- (d) Health and safety at work Act clause;
- (e) World-wide jurisdiction clause;
- (f) Contingent motor liability;
- (g) The insured includes the respective officers, directors, agents, servants and employees of an insured;
- (h) Financial loss;
- (i) Indemnity to principals clause – principals to specifically include TTL;
- (j) Liability assumed under the contract to be included;
- (k) Subrogation waiver in favour of TTL;
- (l) Property in the care, custody or control exclusion to be specifically amended so not to exclude property or assets belonging to TTL or for which TTL is responsible;
- (m) Amended cancellation / lapse / modifications clause – insurers to notify TTL of any changes, reduction, cancellation or lapse of the policy.

#### **2.1.8 Allowable Exclusions**

- (a) Death or bodily injury to or illness or disease contracted by the employees of the insured arising out of or in the course of their employment;
- (b) Property belonging to or in the charge or under the control of the insured but this does not apply in respect of third party premises or property being worked upon;
- (c) Liability arising out of technical or professional advice given for a fee by the insured or by any person acting on behalf of the insured other than in respect of injury or damage;
- (d) Liability arising out of the use of mechanically propelled vehicles for which compulsory insurance or security is required by legislation, except whilst in use as a tool of trade;
- (e) Liability arising from ownership possession or use or control of any aircraft or watercraft;
- (f) The cost of making good loss or damage to property indemnified under other insurance;
- (g) Liability arising from pollution or contamination unless caused by a sudden, identifiable, unintended and unexpected incident;
- (h) Fines or penalties imposed by regulatory or statutory authorities or courts; and
- (i) No exclusion to apply in respect of liability assumed under contract.

- (j) Asbestos Exclusion
- (k) USA/Canada – Direct exports exclusion;
- (l) Radioactive contamination;
- (m) Damage to products;
- (n) Aircraft products;
- (o) Personal and advertising injury;
- (p) War;
- (q) No payment will be made to the extent that doing so would expose the insurer to any sanction, prohibition or restriction under any United Nations resolution, or under any trade or economic sanction, law or regulation of Great Britain, the European Union or the United States of America.

## 2.2 Product Liability

### 2.2.1 The Insured

- (a) The Contractor;
- (b) the Sub-Contractors and other contractors and sub-contractors of any tier engaged on or in connection with the Contract; and
- (c) other manufacturers, suppliers, engineers, designers and consultants involved in the Contract,

each for their respective rights and interests.

### 2.2.2 Period of Insurance

The Term.

### 2.2.3 Minimum Sum Insured

██ per occurrence and in the aggregate per annum.

### 2.2.4 Indemnity Coverage

The legal liability of the insured arising from:

- (a) death, injury, illness or disease of any persons;
- (b) loss of or damage to any property; and/or
- (c) obstruction, loss of amenities, trespass, nuisance or any like cause happening during the period of insurance and arising out of or in connection with goods or products manufactured or supplied in connection with this Contract.

### 2.2.5 Geographical Limits

Worldwide.

### 2.2.6 Maximum Deductible

████████████████ and every occurrence in respect of loss or damage to property, subject to an annual aggregate cap ██████████ otherwise nil. Other than in respect of financial loss which shall be subject to a 20% co-insurance to a minimum of ██████████

### 2.2.7 Required Extensions

- (a) Cross liabilities clause;
- (b) Costs in addition to limit of indemnity (excluding USA and Canada);
- (c) Health and safety at work Act clause;
- (d) World-wide jurisdiction clause;

- (e) Contingent motor liability;
- (f) The insured includes the respective officers, directors, agents, servants and employees of an insured;
- (g) Financial loss;
- (h) Indemnity to principals clause – principals to specifically include TTL, liability assumed under the contract to be included;
- (i) Subrogation waiver in favour of TTL;
- (j) Property in the care, custody or control exclusion to be specifically amended so not to exclude property or assets belonging to TTL or for which TTL is responsible;
- (k) Amended cancellation / lapse / modifications clause – insurers to notify TTL of any changes, reduction, cancellation or lapse of the policy.

#### **2.2.8 Allowable Exclusions**

- (a) Death or bodily injury to or illness or disease contracted by the employees of the insured arising out of or in the course of their employment;
- (b) Property belonging to or in the charge or under the control of the insured but this does not apply in respect of third party premises or property being worked upon;
- (c) Liability arising out of technical or professional advice given for a fee by the insured or by any person acting on behalf of the insured other than in respect of injury or damage;
- (d) Liability arising out of the use of mechanically propelled vehicles for which compulsory insurance or security is required by legislation, except whilst in use as a tool of trade;
- (e) Liability arising from ownership possession or use or control of any aircraft or watercraft;
- (f) The cost of making good loss or damage to property indemnified under other insurance;
- (g) Liability arising from pollution or contamination unless caused by a sudden, identifiable, unintended and unexpected incident;
- (h) Fines or penalties imposed by regulatory or statutory authorities or courts; and
- (i) No exclusion to apply in respect of liability assumed under contract.
- (j) Asbestos Exclusion
- (k) USA/Canada – Direct exports exclusion;
- (l) Radioactive contamination;

- (m) Damage to products;
- (n) Aircraft products;
- (o) Personal and advertising injury;
- (p) War;
- (q) No payment will be made to the extent that doing so would expose the insurer to any sanction, prohibition or restriction under any United Nations resolution, or under any trade or economic sanction, law or regulation of Great Britain, the European Union or the United States of America



- (i) Cyber extension with an aggregate liability of [REDACTED]

#### 2.3.8 Allowable Exclusions

- (a) Antitrust;
- (b) Asbestos;
- (c) Bodily injury/property damage (i.e. excluding coverage which may be provided under the Public / Products Liability policy);
- (d) Infrastructure;
- (e) Insolvency;
- (f) Intentional acts;
- (g) Joint ventures;
- (h) Manufacturing liability;
- (i) Misdeeds including criminal, dishonest or fraudulent act;
- (j) Patent/Trade Secret;
- (k) Performance Guarantees/Express Warranties;
- (l) Pollution;
- (m) Prior claims and/or circumstances;
- (n) Sanctions clause;
- (o) Trade Debts; and
- (p) War/Terrorism.

## **2.4 Employer's Liability**

### **2.4.1 The Insured**

The Contractor.

### **2.4.2 Period of Insurance**

The Term.

### **2.4.3 Minimum Sum Insured**

Not less than [REDACTED] per occurrence or such other sum as required by Law.

### **2.4.4 Indemnity Coverage**

Liability for death of or bodily injury or illness sustained by employees of the Contractor arising out of or in the course of their employment in connection with this Contract.

### **2.4.5 Geographical Limits**

Worldwide.

### **2.4.6 Maximum Deductible**

Nil

### **2.4.7 Required Extensions**

- (a) Indemnity to principals clause – principals to specifically include TTL;
- (b) Liability assumed under the contract to be included;
- (c) Subrogation waiver in favour of TTL;
- (d) Amended cancellation / lapse / modifications clause – insurers to notify TTL of any changes, reduction, cancellation or lapse of the policy;
- (e) Corporate Manslaughter and Corporate Homicide Act 2007 expenses not exceeding [REDACTED] in any one period of Insurance;
- (f) Definition of Employee extended to include: (i) any labour master or labour only subcontractor or persons supplied by any of them; (ii) self-employed persons; (iii) persons under work experience schemes; (iv) any person hired or borrowed by the insured from another employer;
- (g) Indemnity to Directors and Employees;
- (h) Personal Representatives;
- (i) Solicitors' fees incurred with insurers consent for representation at any coroner's inquest or fatal inquiry in respect of any death or defending in any Court of Summary Jurisdiction any proceedings in respect of any act or

omission causing or relating to any event which may be the subject of indemnity under this policy;

- (j) Additional Activities – business to include provision and management of canteen, social, sports and welfare organisations for the benefit of the insured's employees and fire and ambulance services;
- (k) Private work carried out by employees of the insured for any director and/or executive of the insured;
- (l) Indemnity to first aid and medical teams;
- (m) Health and Safety at Work Act 1974;
- (n) Unsatisfied Court Judgements;
- (o) Court Attendance Costs of: (i) any director or partner of the Insured - [REDACTED]

#### **2.4.8 Allowable Exclusions**

- (a) Employment practices disputes;
- (b) Work offshore;
- (c) Motor - liability for which compulsory motor insurance or security is required;
- (d) Work overseas - the insurance by this policy shall not apply to nor include liability in respect of any bodily injury or disease caused elsewhere than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands but this exclusion shall not apply to employees temporarily employed elsewhere provided that the contract of service or apprenticeship was entered into in the aforesaid countries;
- (e) Terrorism Limitation Clause limiting insurers liability for acts arising out of terrorism to [REDACTED]

## Appendix 1 – Contents of Broker's Notes

A) Class: **PUBLIC LIABILITY**

Insurer: *[to be completed]*

Policy No: *[to be completed]*

Period: *[to be completed]*

Confirmation that the levels and terms of the Required Insurance are at least as required in paragraph 2.1 of Schedule 17 (Insurance Requirements).

B) Class: **PRODUCT LIABILITY**

Insurer: *[to be completed]*

Policy No: *[to be completed]*

Period of Insurance: *[to be completed]*

Confirmation that the levels and terms of the Required Insurance are at least as required in paragraph 2.2 of Schedule 17 (Insurance Requirements).

C) Class: **PROFESSIONAL INDEMNITY**

Insurer: *[to be completed]*

Policy No: *[to be completed]*

Period of Insurance: *[to be completed]*

Confirmation that the levels and terms of the Required Insurance are at least as required in paragraph 2.3 of Schedule 17 (Insurance Requirements).

D) Class: **EMPLOYER'S LIABILITY**

Insurer: *[to be completed]*

Policy No: *[to be completed]*

Period of Insurance: *[to be completed]*

Confirmation that the levels and terms of the Required Insurance are at least as required in paragraph 2.4 of Schedule 17 (Insurance Requirements).