



National Highways Limited

Scope

Insurance

Annex 03

CONTENTS AMENDMENT SHEET

[Note to compiler: delete the contents of the Amendments Page prior to issue.]

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1 INSURANCE REQUIREMENTS	
1.1 Contractors "All Risks" Insurance (CAR)	
1.1.1.	<p>Insureds</p> <ul style="list-style-type: none"> • <i>Contractor</i> • <i>Client</i> <p>as co-insured parties each for their respective rights and interests in the contract.</p>
1.1.2.	<p>Insured property</p> <p>The permanent and temporary works, materials, goods, Plant and Materials and Equipment for incorporation in the <i>works</i> (plus constructional plant, tools, accommodation and equipment belonging to or the responsibility of the <i>Contractor</i>) and all other property used or for use in connection with <i>works</i> associated with the contract.</p>
1.1.3.	<p>Basis of cover</p> <p>"All risks" of physical loss, damage or destruction to the Insured property (as set out in paragraph 1.1.2) unless otherwise excluded.</p>
1.1.4.	<p>Territorial limits</p> <p>United Kingdom including offsite storage and during inland transit including by roll on roll off ferry.</p>
1.1.5.	<p>Period of insurance</p> <p>The <i>Contractor</i> maintains the insurance from the <i>starting date</i> until the Defects Certificate or a termination certificate has been issued.</p>
1.1.6.	<p>Cover features and extensions are the following,</p> <p><i>[Note to compiler: Scope of first party contract works cover may vary depending on the Client requirement in question. Compilers should ensure that the required insurances obligation is consistent with the insurable risk profile of the requirement being contracted.]</i></p> <ul style="list-style-type: none"> • Terrorism, • Munitions of war clause, • Additional costs of completion clause, • Professional fees clause, • Debris removal clause, • Seventy-two (72) hour clause,

	<ul style="list-style-type: none"> • Local authorities' clause, • Free issue materials clause, • Ten percent (10%) escalation clause, • Automatic reinstatement of sum insured clause, • Loss minimisation, • Plans and specifications clause, • Guarantee maintenance or extended maintenance to the extent available, • Payments on account, • Temporary repairs, • Offsite storage and repairs, • Fire Joint Code of Practice, • <i>Client</i> co-insured status with attendant, non-vitiation and waiver of subrogation protection.
1.1.7.	<p>Principal exclusions are the following,</p> <ul style="list-style-type: none"> • War and related perils, • Nuclear/radioactive risks, • Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds, • Wear, tear and gradual deterioration, • Consequential financial losses, • Cyber risks, • Inventory losses, fraud and employee dishonesty, • Faulty design, workmanship and materials DE5 or LEG3/06. <p><i>[Note to compiler: Scope of defective design cover may vary depending on the Client's requirement in question. Compilers should ensure that the required insurances obligation is consistent with the insurable risk profile of the requirement being contracted.]</i></p>

1.2	Third Party Public Liability Insurance
1.2.1	<p>Insureds</p> <ul style="list-style-type: none"> • <i>Contractor</i> • <i>Client</i> <p>as co-insured parties each for their respective rights and interests in the contract.</p> <p><i>[Note to compiler: Alternative position to the Client being required to be named as a co-insured under the Contractors Third Party Public and Products Liability Insurance policy is for the Client to include an indemnity to principals clause obligation under which the Client is indemnified in respect of claims made against it in respect of death or bodily injury or third party property damage arising out of or in connection with the contract and for which the Contractor is legally liable. An indemnity to principals clause is routinely available in prevailing insurance market conditions whereas the Client being named as an insured party on the Contractors policy of insurance would need to be specifically negotiated by the Contractor with its insurer. Contact CD&A for advice if required.]</i></p>
1.2.2	<p>Interest</p> <p>To indemnify the insured (as set out in paragraph 1.2.1) in respect of all sums that the insured (as set out in paragraph 1.2.1) may become legally liable to pay whether contractually or otherwise (including claimant's costs and expenses) as damages in respect of accidental</p> <ul style="list-style-type: none"> • death or bodily injury, illness or disease contracted by any person, • loss or damage to property, • 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, <p>happening during the period of insurance (as set out in paragraph 1.2.4) and arising out of or in connection with the contract.</p>
1.2.3	<p>Territorial limits</p> <p>United Kingdom and elsewhere in the world in respect of non-manual visits.</p>
1.2.4	<p>Period of insurance</p> <p>The <i>Contractor</i> maintains the insurance from the <i>starting date</i> until the Defects Certificate or a termination certificate has been issued.</p>

1.2.5	<p>Cover features and extensions are the following,</p> <ul style="list-style-type: none"> • Legal defence costs in addition to the limit of indemnity, • Contingent motor vehicle liability, • Health & Safety at Work Act(s) clause, • Data Protection Legislation clause, • Defence appeal and prosecution costs relating to the Corporate Manslaughter and Corporate Homicide Act 2007, • <i>Client</i> co-insured status with attendant, non-vitiation and waiver of subrogation protection. <p><i>[Note to compiler: If the requirement does not necessitate the Client being named a co-insured party on the Contractors Third Party Public and Products Liability Insurance policy, an alternative position would be to specify a requirement for an Indemnity to Principals Clause (see paragraph 1.2.1).]</i></p>
1.2.6	<p>Principal exclusions are the following,</p> <ul style="list-style-type: none"> • War and related perils, • Nuclear/radioactive risks, • Liability for death, illness, disease or bodily injury sustained by employees of the Insured (as set out in paragraph 1.2.1) arising out of the course of their employment, • Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles, • Liability in respect of predetermined penalties or liquidated damages imposed under the contract, • Liability arising from the ownership, possession or use of any aircraft or marine vessels, • Liability arising from contamination and pollution unless caused by a sudden, unintended, unexpected and accidental occurrence, • Events more properly covered under the professional indemnity insurance policy, • Losses indemnified under the construction "all risks" insurance policy (as set out in paragraph 1.1) required by the contract, • Liability arising from toxic mould, • Liability arising from asbestos, <p><i>[Note to compiler: If the requirement involves liability associated with asbestos specialist third party liability insurance and levels should be specified. Contact CD&A to set up these requirements.]</i></p> <ul style="list-style-type: none"> • Cyber risks.

1.3	Professional Indemnity Insurance
	<p><i>[Note to compiler: Professional indemnity insurance is to be included as a required insurance under an ECC contract where the Contractor provides any professional advice, design and / or specification in connection with the requirement in question.]</i></p>
1.3.1	<p>Insureds</p> <ul style="list-style-type: none"> • Contractor
1.3.2	<p>Interest</p> <p>To indemnify the Insured (as set out in paragraph 1.3.1) for all sums which the Insured (as set out in paragraph 1.3.1) becomes legally liable to pay (including claimant's costs and expenses) as a result of any claim or claims first made against the insured (as set out in paragraph 1.3.1) during the period of insurance (as set out in paragraph 1.3.4) by reason of any act, error or omission arising from or in connection with professional services, advice, design and or specification relevant to the contract.</p>
1.3.3	<p>Territorial limits</p> <p>United Kingdom</p>
1.3.4	<p>Period of insurance</p> <p>The Contractor maintains this insurance from the <i>starting date</i> until twelve (12) years following Completion the whole of the <i>works</i> or termination of the contract whichever occurs earlier.</p>
1.3.5	<p>Cover features and extensions are the following,</p> <ul style="list-style-type: none"> • Loss of documents and computer records extension, • Legal liability assumed under contract, duty of care agreements and collateral warranties, • Retroactive cover from the date of the contract or retroactive date no later than the date of the contract in respect of any policy provided on a claims made form of policy wording.
1.3.6	<p>Principal exclusions are the following,</p> <ul style="list-style-type: none"> • War related perils, • Nuclear/radioactive risks, • Insolvency of the insured (as set out in paragraph 1.3.1), • Liability for death, illness, disease or bodily injury sustained by employees of the Insured (as set out in paragraph 1.3.1) arising out of the course of their employment.

1.4 Policies to be taken out as required by United Kingdom law	
1.4.1	The Contractor is required to meet its statutory insurance obligations in full. Insurances required to comply with all statutory requirements including, but not limited to, employers' liability insurance and motor third party liability insurance.
1.4.2	The statutory insurances to contain an indemnity to principals clause in respect of claims made against the <i>Client</i> arising out of the performance of the <i>Contractor</i> of his duties under the contract.
1.4.3	The <i>Contractor</i> maintains the insurances required to comply with all statutory requirements from the starting date until the Defects Certificate or a termination certificate has been issued.