



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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LIST OF CONTENTS

1 INSURANCE REQUIREMENTS..... 4

1.1 Property “All Risks” Insurance 4

1.2 Third Party Public and Products Liability Insurance 5

1.3 Policies to be taken out as required by United Kingdom law 7

1 INSURANCE REQUIREMENTS	
1.1 Property “All Risks” Insurance	
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 and sum insured</p> <p>Any Plant and Materials and / or Equipment. The sum insured to represent the reinstatement or replacement cost of the relevant insured property.</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.</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 end of the Service Period or a termination certificate has been issued.</p>
1.1.6.	<p>Cover features and extensions</p> <ul style="list-style-type: none"> • automatic reinstatement of sum insured clause. • loss minimisation. • temporary repairs.
1.1.7.	<p>Principal exclusions</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.

1.2	Third Party Public and Products 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>[Note to compiler. Alternative position (which may be more commercially viable) to the <i>Client</i> being required to be named as a co-insured under the <i>Contractor's</i> Third Party Public and Products Liability Insurance policy is for the <i>Client</i> to include an indemnity to principals clause obligation under which the <i>Client</i> 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 <i>service</i> and the contract and for which the <i>Contractor</i> is legally liable. An indemnity to principals clause is routinely available in prevailing UK insurance market conditions whereas the <i>Client</i> being named as an insured party on the <i>Contractor's</i> policy of insurance would need to be specifically negotiated by the <i>Contractor</i> with its insurer.]</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 <i>service</i> and 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 end of the Service Period or termination of the contract whichever occurs earlier.</p>

1.2.5	<p>Cover features and extensions</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>[Note to compiler. If the requirement does not necessitate the <i>Client</i> being named as a co-insured party on the <i>Contractor's</i> Third Party Public and Products Liability Insurance policy, an alternative position would be to specify a requirement for an Indemnity to Principals Clause (see compiler notes at paragraph 1.2.1).]</p>
1.2.6	<p>Principal exclusions</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.

1.3 Policies to be taken out as required by United Kingdom law	
1.3.1	The <i>Contractor</i> meets 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.
1.3.2	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 its duties under the contract.
1.3.3	The <i>Contractor</i> maintains the insurance from the <i>starting date</i> until the end of the Service Period or termination of the contract whichever occurs earlier.