

SCHEDULE 14

Insurances

This is Schedule 14 comprising the Insurances

between

CUMBRIA COUNTY COUNCIL

and

LANCASHIRE COMBINED FIRE AUTHORITY

and

MERSEYSIDE FIRE AND RESCUE AUTHORITY

and

BALFOUR BEATTY FIRE AND RESCUE NW LIMITED

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SCHEDULE 14

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Part 1 - Policies to be taken out by the Contractor and maintained during the Works Period

Common to each policy in Part 1 (unless stated otherwise):-

Insureds:-

- 1) Authorities;
- 2) Contractor;
- 3) Building Contractor;
- 4) FM Contractor;
- 5) Sub-contractors of any tier;
- 6) Senior Lenders;
- 7) Consultants - for their site activities only;

each for their respective rights and interests in the Works.

1. CONTRACTORS' "ALL RISKS" INSURANCE ("CAR")

1.1 Insured Property

The permanent and temporary works, materials (including but not limited to equipment supplied by the Authorities), goods, plant and equipment for incorporation in the Works (other than constructional plant, tools, accommodation and equipment belonging to or the responsibility of the Contractor or the Contractor's Sub-Contractors) and all other property used or for use in connection with the Works ("the Insured Property").

1.2 Coverage

"All risks" of physical loss or damage to the Insured Property unless otherwise excluded.

1.3 Sum Insured

At all times an amount not less than the full reinstatement or replacement value of the Insured Property, but not less than the value specified in the building contract plus provision to include Principal Extensions as appropriate.

1.4 Maximum Deductible

Ten thousand pounds (£10,000) each and every occurrence increasing to one hundred and fifty thousand pounds (£150,000) in respect of DE5 (or its equivalent) claims.

20% co-insurance in respect of Cover Feature and Extensions 1.7.10.

1.5 **Territorial Limits**

United Kingdom and elsewhere in the European Union including offsite storage and whilst in transit.

1.6 **Period of Insurance**

From the date of this Agreement until:

- (a) in the case of any Station subject to Post Completion Works, the applicable Post Completion Works Acceptance Date; and
- (b) in the case of any Station not subject to Post Completion Works, the earlier of the issue of the appropriate Acceptance Certificate or the Services Availability Date for such Station,

and thereafter in respect of defects liability until the expiry of the 18 months defects liability period.

1.7 **Cover Features and Extensions**

- 1.7.1 Terrorism.
- 1.7.2 Munitions of war clause.
- 1.7.3 Subrogation waiver and non vitiation clause to the extent specified under Endorsement 2 in Part 3 of Schedule 14.
- 1.7.4 Professional fees clause.
- 1.7.5 Debris removal clause.
- 1.7.6 Seventy two (72) hour clause.
- 1.7.7 European Union local authorities clause.
- 1.7.8 Free issue materials clause.
- 1.7.9 one hundred and fifteen per cent (115%) increase clause.
- 1.7.10 Additional costs of completion clause.
- 1.7.11 Automatic reinstatement of sum insured clause.
- 1.7.12 Plans and documents clause.
- 1.7.13 Loss minimisation.
- 1.7.14 Testing/commissioning period clause.

1.8 **Principal Exclusions**

- 1.8.1 War and related perils (UK market agreed wording).
- 1.8.2 Nuclear/radioactive risks (UK market agreed wording).

- 1.8.3 Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- 1.8.4 Wear, tear and gradual deterioration.
- 1.8.5 Consequential financial losses.
- 1.8.6 Cyber risks.
- 1.8.7 Defect in design, material, manufacture or workmanship (DE5 or equivalent).

2. **DELAY IN START UP INSURANCE**

2.1 **Insureds**

- 2.1.1 Contractor;
 - 2.1.2 Senior Lenders;
 - 2.1.3 Authorities but only in respect of Cover Feature & Extension 2.7.7;
- each for their respective rights and interests in the Project.

2.2 **Indemnity**

In respect of:-

- 2.2.1 loss of anticipated Revenue during the Minimum Indemnity Period arising from a delay in completion of the Works as a result of loss or damage covered under the Contractors' "All Risks" Insurance effected in accordance with paragraph 1 of Part 1 of this Schedule, including physical loss or damage which would be indemnifiable but for the application of any deductible;
- 2.2.2 the additional expenditure necessarily and reasonably incurred for the purpose of avoiding or reducing the loss of Unavoidable Fixed Costs and Senior Debt Service Costs of the Contractor which without such expenditure would have taken place, during the Minimum Indemnity Period.

2.3 **Sum Insured**

An amount sufficient to cover the sums the subject of the indemnity for the Minimum Indemnity Period.

2.4 **Maximum Excess**

45 days in the aggregate per site location.

2.5 **Minimum Indemnity Period**

Twenty (20) months.

2.6 **Period of Insurance**

As per the Contractors' "All Risks" Insurance, excluding the defects liability period.

2.7 **Cover Features and Extensions**

- 2.7.1 Denial of access.
- 2.7.2 Utilities.
- 2.7.3 Terrorism.
- 2.7.4 Subrogation waiver and non vitiation clauses to the extent specified under Endorsement 2 in Part 3 of Schedule 14.
- 2.7.5 Professional fees.
- 2.7.6 Automatic reinstatement of sum insured.
- 2.7.7 Additional Increase in Costs of Working (limit two hundred and fifty thousand pounds (£250,000) in respect of each Authority).
- 2.7.8 Waiver of subrogation for the benefit of the Authorities.

2.8 **Principal Exclusions**

- 2.8.1 To follow the Contractors' "All Risks" Insurance, other than for consequential losses.
- 2.8.2 Delayed response by a public body or state authority (including the Authorities).

3. **CONSTRUCTION THIRD PARTY LIABILITY INSURANCE**

3.1 **Interest**

To indemnify the Insureds in respect of all sums that they may become legally liable to pay whether contractually or otherwise (including claimant's costs and expenses) as damages in respect of accidental:-

- 3.1.1 death, or bodily injury, illness, death, disease contracted by any person;
- 3.1.2 loss or damage to property;
- 3.1.3 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, or any like cause

happening during the period of insurance and arising out of or in connection with the Works.

3.2 **Limit of Indemnity**

Not less than twenty five million pounds (£25,000,000) in respect of any one occurrence, the number of occurrences being unlimited, but in the aggregate in respect of pollution liability.

3.3 **Maximum Deductible**

Ten thousand pounds (£10,000) for each and every occurrence of property damage (Personal injury claims will be paid in full).

3.4 **Territorial Limits**

Worldwide.

3.5 **Jurisdiction**

Worldwide subject to North American conditions.

3.6 **Period of Insurance**

From the date of the Agreement until the completion of all of the Works including the defects liability period.

3.7 **Cover Features and Extensions**

3.7.1 Munitions of war.

3.7.2 Subrogation waiver and non vitiation clauses to the extent specified under Endorsement 2 in Part 3 of Schedule 14.

3.7.3 Cross liability clause.

3.7.4 Contingent motor.

3.7.5 Legal defence costs.

3.8 **Principal Exclusions**

3.8.1 Liability for death, illness, disease or bodily injury sustained by employees of the insured.

3.8.2 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles.

3.8.3 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.

3.8.4 Liability in respect of loss or damage to property in the care, custody and control of the insured but this exclusion is not to apply to all property belonging to the Authorities which is in the care, custody and control of another Insured Party.

3.8.5 Liability arising out of technical or professional advice (given for a fee) other than in respect of death or bodily injury to persons or damage to third party property.

3.8.6 Liability arising from the ownership, possession or use of any aircraft or marine vessel.

3.8.7 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

3.8.8 Losses indemnified under the CAR policy or DSU policy.

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Part 2 - Policies to be taken out by the Contractor and maintained during the Services Period

Common to all policies in Part 2 (unless stated otherwise):-

Insureds:-

- 1) Authorities;
- 2) Contractor;
- 3) FM Contractor;
- 4) Sub-contractors of Insureds (2) and (3) to the extent their liabilities are to be insured under contract;
- 5) Senior Lenders;

each for their respective rights and interests in the Project.

1. PROPERTY DAMAGE INSURANCE

1.1 Insured Property

Any property of whatsoever nature or description associated with the Project which is the property of the Contractor or for which the Contractor may be responsible including but not limited to the new facilities.

1.2 Coverage

"All risks" of physical loss or damage to the Insured Property from any cause not excluded, including machinery breakdown and computer breakdown in respect of building services equipment.

1.3 Sum Insured

At all times an amount not less than the total reinstatement or replacement value of the Insured Property plus provision to include other Principal Extensions as appropriate.

1.4 Maximum Deductible

Ten thousand pounds (£10,000) each and every claim (escalated periodically as appropriate).

1.5 Territorial Limits

United Kingdom and elsewhere in the European Union including offsite storage and whilst in transit.

1.6 **Period of Insurance**

From the first Services Availability Date or as otherwise specified in the Agreement for the duration of the Agreement and renewable on an annual basis unless agreed otherwise by the parties.

1.7 **Cover Features and Extensions**

1.7.1 Terrorism.

1.7.2 Pollution and contamination to the Insured Property arising from an event which itself is not otherwise excluded. To include pollution or contamination resulting from accidental damage.

1.7.3 Insured Property whilst in transit.

1.7.4 Automatic reinstatement of sum insured.

1.7.5 Capital additions clause.

1.7.6 Seventy two (72) hour clause.

1.7.7 European Union local authorities clause.

1.7.8 Replacement of computer records.

1.7.9 Professional fees.

1.7.10 Debris removal.

1.7.11 Repair/reinstatement basis of claims settlement with cash option for non-reinstatement.

1.8 **Principal Exclusions**

1.8.1 War and related perils (UK market agreed wording).

1.8.2 Nuclear/radioactive risks (UK market agreed wording).

1.8.3 Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

1.8.4 Wear, tear and gradual deterioration.

1.8.5 Consequential financial losses.

1.8.6 Cyber risks.

1.8.7 Losses recovered under the CAR Policy.

2. **BUSINESS INTERRUPTION**

2.1 **Insureds**

2.1.1 Contractor;

2.1.2 Senior Lenders;

2.1.3 Authorities but only in respect of Cover Feature & Extension 2.7.7;

each for their respective rights and interests in the Project.

2.2 **Indemnity**

In respect of:-

2.2.1 loss of anticipated Revenue during the Indemnity Period arising from an interruption or interference in the operation the Project as a result of loss or damage covered under Property Damage Insurance effected in accordance with paragraph 1 of Part 2 of this Schedule including physical loss or damage which would be indemnifiable but for the application of any deductible;

2.2.2 the economic additional expenditure necessarily and reasonably incurred for the purpose of avoiding or reducing the loss of Unavoidable Fixed Costs and Senior Debt Service Costs of the Contractor which without such expenditure would have taken place, during the Indemnity Period.

2.3 **Sum Insured**

An amount sufficient to cover the sums the subject of the Indemnity for the Minimum Indemnity Period.

2.4 **Maximum Excess**

£10,000 each and every occurrence.

2.5 **Minimum Indemnity Period**

Twenty (20) months.

2.6 **Period of Insurance**

As per the Property Damage Insurance.

2.7 **Cover Features and Extensions**

2.7.1 Denial of access.

2.7.2 Utilities.

2.7.3 Terrorism.

2.7.4 Subrogation waiver and non vitiation clauses to the extent specified under Endorsement 2 in Part 3 of Schedule 14.

2.7.5 Accountants clause.

2.7.6 Automatic reinstatement of sum insured.

2.7.7 Additional Increase in Costs of Working (limit two hundred and fifty thousand pounds (£250,000) in respect of each Authority).

2.7.8 Waiver of subrogation for the benefit of the Authorities.

2.8 **Principal Exclusions**

2.8.1 Exclusions under the Property Damage Insurance, other than for consequential financial losses.

2.8.2 Delayed response by a public body or state authority (including the Authorities).

3. **THIRD PARTY PUBLIC AND PRODUCTS LIABILITY INSURANCE**

3.1 **Interest**

To indemnify the Insureds in respect of all sums that they may become legally liable to pay whether contractually or otherwise (including claimant's costs and expenses) as damages in respect of:-

3.1.1 death, or bodily injury, illness, death, disease contracted by any person;

3.1.2 loss or damage to property;

3.1.3 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, or any like cause

happening during the period of insurance and arising out of or in connection with the Project (other than the Works) and the provision of the facilities management services.

3.2 **Limit of Indemnity**

Not less than twenty five million pounds (£25,000,000) (escalated periodically as appropriate) in respect of any one occurrence, the number of occurrences being unlimited, but in the aggregate in respect of pollution and products liability.

3.3 **Maximum Deductible**

Ten thousand pounds (£10,000) for each and every occurrence of property damage (escalated periodically as appropriate), (personal injury claims will be paid in full).

3.4 **Territorial Limits**

Worldwide.

3.5 **Jurisdiction**

Worldwide subject to North American conditions.

3.6 **Period of Insurance**

From the Services Availability Date or as otherwise specified in the Project Agreement for the duration of the Project Agreement and renewable on an annual basis unless agreed otherwise.

3.7 **Cover Features and Extensions**

3.7.1 Munitions of war.

- 3.7.2 Cross liability clause.
- 3.7.3 Contingent motor.
- 3.7.4 Subrogation Waiver and non vitiation clauses to the extent specified under Endorsement 2 in Part 3 of Schedule 14.
- 3.7.5 Legal defence costs.

3.8 **Principal Exclusions**

- 3.8.1 Liability for death, illness, disease or bodily injury sustained by employees of the insured.
- 3.8.2 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicles.
- 3.8.3 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the insured.
- 3.8.4 Liability in respect of loss or damage to property in the care, custody and control of the insured but this exclusion is not to apply to all property belonging to the Authorities which is in the care, custody and control of another Insured Party.
- 3.8.5 Liability arising out of technical or professional advice (given for a fee) other than in respect of death or bodily injury to persons or damage to third party property.
- 3.8.6 Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- 3.8.7 Liability arising from seepage and pollution unless caused by a sudden, identifiable, unintended and unexpected occurrence.

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Part 3 - Endorsements

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

1. ENDORSEMENT 1 - CANCELLATION

- 1.1 This policy shall not be cancelled or terminated before the original expiry date is to take effect except in respect of (i) non-payment of premium; (ii) where an Insured consistently fails to comply with Insurers' requirements relating to survey or loss control action points; or (iii) where an Insured is in breach of an applicable Joint Code of Practice.
- 1.2 The insurer shall by written notice advise the Authorities:-
 - 1.2.1 at least thirty (30) days before any such cancellation or termination is to take effect
 - 1.2.2 at least thirty (30) days before any reduction in limits or coverage or any increase in deductibles is to take effect; and
 - 1.2.3 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.

2. ENDORSEMENT 2 - MULTIPLE INSURED/SUBROGATION/NON-VITIATION CLAUSE

- 2.1 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.
- 2.2 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.
- 2.3 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 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.
- 2.4 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.

- 2.5 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.
- 2.6 Notwithstanding any other provision of this policy or any other document or any act and/or omission by any insured party insurers agree that:-
- 2.6.1 no party other than the Authorities have any authority to make any warranty, disclosure or representation in connection with this policy on behalf of the Authorities;
- 2.6.2 where any warranty, disclosure or representation is required from the Authorities in connection with this policy insurers will contact the Authorities in writing (in accordance with Endorsement 3 to the Agreement) and set out expressly the warranty, disclosure and/or representation required within a reasonable period of time from the Authorities (regarding itself); and
- 2.6.3 save as set out in a request from insurers to the Authorities in accordance with 2.6.2 above, the Authorities shall have no duty to disclose any fact or matter to insurers in connection with this policy save to the extent that for the Authorities not to disclose a fact or matter would constitute fraudulent misrepresentation and/or fraudulent non-disclosure.

3. **ENDORSEMENT 3 - COMMUNICATIONS**

- 3.1 All notices or other communications under or in connection with this policy shall be given to each insured (and the Authorities) in writing. Any such notice will be deemed to be given when delivered.
- 3.2 The address of the Authorities for all notices under or in connection with this policy are those notified from time to time by the Authorities for this purpose to the Contractor's insurance broker at the relevant time. The initial address for each of the Authorities is as follows:-
- 3.2.1 Cumbria County Council
- Attention: The Chief Fire Officer
- Address: Cumbria Fire and Rescue Service, c/o The Courts, Carlisle, Cumbria, CA3 8NA
- 3.2.2 Lancashire Combined Fire Authority
- Attention: The Chief Fire Officer
- Address: Lancashire Fire and Rescue Service Headquarters, Garstang Road, Fulwood, Preston, PR2 3LH
- 3.2.3 Merseyside Fire and Rescue Authority
- Attention: The Chief Fire Officer

Address: Merseyside Fire and Rescue Service Headquarters, Bridle Road, Bootle, Merseyside, L30 4YD

3.3 It is further agreed that a notice of claim given by the Authorities 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.

4. **ENDORSEMENT 4 - LOSS PAYEE (APPLICABLE ONLY TO THE PHYSICAL DAMAGE POLICIES)**

All proceeds of this policy shall be payable without deduction or set-off to the Joint Insurance Account.

5. **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.

This Endorsement shall not apply in respect of:

- (a) excess layers of third party liability cover effected specifically for the Project;
- (b) any public liability claims against the Insured which exceeds the applicable limit of indemnity under this policy, in which case the liability of the Insurers for additional legal costs and expenses shall be limited to the proportion that the applicable indemnity bears to the total claim against the Insured;
- (c) any claim under this policy to which a Marine 50/50 clause applies;
- (d) any claim under a Contingent Motor Liability extension to this policy; or
- (e) any claim relating to a loss which is insured against (or would be insured but for a double insurance provision or similar or the application of a deductible) under:
 - (i) any other policy specifically effected for the construction or operational phase(s) of the Project: or
 - (ii) a latent or inherent defects policy or engineering or mechanical breakdown policy specifically effected for the Projector a related loss of revenue insurance policy.

6. **ENDORSEMENT 6 - CLAIMS NEGOTIATION RIGHTS**

Notwithstanding any claim conditions contained herein insurers agree that the Authorities have the right to settle and negotiate any claims received from third parties subject to prior consent of insurers. If an Authority takes or fails to take any action as a direct result of which insurers' liability is increased then the liability of insurers to provide an indemnity is reduced to such an extent.

7. **ENDORSEMENT 7 - RINGFENCING**

The level of any indemnity available to an insured party under this policy in relation to any claim(s) concerning the Project shall not be affected and/or reduced by any claim(s) unrelated to the Project.

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Part 4 - Broker's Letter of Undertaking

To The Authorities
[insert address of all three Authorities]

[date]

Dear Sirs

Project Agreement dated [] entered into between Balfour Beatty Fire and Rescue NW Limited (the "Contractor") and Cumbria County Council, Lancashire Combined Fire and Rescue Authority and Merseyside Fire and Rescue Authority (the "Authorities") (the "Agreement")

1. We refer to the Agreement. Unless the context otherwise requires, terms defined in the Agreement shall have the same meaning in this letter.
2. We act as insurance broker to the Contractor in respect of the Required Insurances and in that capacity we confirm that the Required Insurances which are required to be procured pursuant to clause 64 and Schedule 14 of the Agreement:-
 - 2.1 where appropriate name you and such other persons as are required to be named pursuant to the Agreement for their respective interests;
 - 2.2 are, in our reasonable opinion as insurance brokers as at today's date, in full force and effect;
 - 2.3 all premiums due to date in respect of the Required Insurances are paid and the Required Insurances are, to the best of our knowledge and belief, placed with insurers which, as at the time of placement, are reputable and financially sound. We do not, however, make any representations regarding such insurers' current or future solvency or ability to pay claims; and that
 - 2.4 the endorsements set out in Part 3 to Schedule 14 of the Agreement are as at today's date in full force and effect in respect of the Required Insurances.
3. We further confirm that the attached cover notes confirm this position.
4. Pursuant to instructions received from the Contractor and in consideration of your approving our appointment or continuing appointment as brokers in connection with the Required Insurances, we hereby undertake in respect of the interests of the Authorities (and all other parties which should be insured under any of the Required Insurances) in relation to the Required Insurances:-
 - 4.1 **Notification Obligations**
 - 4.1.1 to notify you at least thirty (30) days prior to the expiry of any of the Required Insurances if we have not received instructions from the Contractor to negotiate renewal and in the event of our receiving instructions to renew, to advise you promptly of the details thereof;

- 4.1.2 to notify you at least thirty (30) days prior to ceasing to act as brokers to the Contractor unless, due to circumstances beyond our control, we are unable to do so in which case we shall notify you as soon as practicable; and
- 4.1.3 to pay into the Joint Insurance Account without set off or deduction of any kind for any reason all payments received in relation to the Required Insurances specified at clause 65 of the Agreement;

4.2 **Advisory Obligations**

- 4.2.1 to notify you as soon as reasonably practicable of any default in the payment of any premium for any of the Required Insurances;
- 4.2.2 to notify you if any insurer cancels or gives notification of cancellation of any of the Required Insurances, at least thirty (30) days before such cancellation is to take effect or as soon as reasonably practicable in the event that notification of cancellation takes place less than thirty (30) days before it is to take effect;
- 4.2.3 to notify you as soon as reasonably practicable of any act or omission, breach or default of the Contractor under the Required Insurances which those of our employees directly involved with the placement or administration of the Required Insurances becomes aware and which acting reasonably they consider may invalidate any Required Insurance or render it void, avoidable or unenforceable in whole or in part or which may otherwise impact on the extent of cover provided under the Required Insurances; and
- 4.2.4 in accordance with our duty to the Contractor to notify the Contractor of its pre-contractual duties of disclosure to insurers including the duty to disclose all information that would be considered material in the context of such duty.

4.3 **Disclosure Obligations**

- 4.3.1
 - (i) to disclose to insurers all information and any fact, change of circumstances or occurrence made available to us by the Contractor;
 - (ii) disclose, with the approval of the Contractor (such approval not to be unreasonably withheld), all information and any fact, change of circumstances or occurrence made available to us by the Authorities;

which in our reasonable opinion is material to the risks insured against under the Required Insurances and which properly should be disclosed to insurers in accordance with the insurers' relevant policy terms and conditions as soon as reasonably practicable after we are in receipt from the Contractor of such information or approval of the Contractor in respect of such information and become aware of such information, fact, change of circumstance or occurrence whether prior to inception or renewal or otherwise; and

- 4.3.2 to treat as confidential all information so marked or otherwise stated to be confidential and supplied to us by or on behalf of the Contractor or the Authorities and not to disclose such information, without the prior written consent of the supplier, to any third party other than those persons who, in our reasonable opinion have a need to have access to such information from time to time, and for the purpose of disclosure to the insurers or their agents in

respect of the Required Insurances in discharge of our obligation set out at paragraph 4.3.1 of this letter. Our obligations of confidentiality shall not conflict with our duties owed to the Contractor and shall not apply to disclosure required by an order of a court of competent jurisdiction, or pursuant to any applicable law, governmental or regulatory authorities having the force of law or to information which is in the public domain;

4.4 Administrative Obligations

- 4.4.1 to hold all documents relating to or evidencing the Required Insurances, including but without prejudice to the generality of the foregoing, insurance slips, contracts, policies, endorsements and copies of all documents evidencing renewal of the Required Insurances, payment of premiums and presentation and receipt of claims;
- 4.4.2 to supply to the Authorities and/or their insurance advisers (or the Authorities' or their insurance advisers' authorised representatives) forthwith on written request copies of the documents set out in paragraph 4.4.1 of this letter, and to the extent available to make available to such persons promptly upon the Authorities' request the originals of such documents;
- 4.4.3 to administer the payment of premiums due pursuant to the Required Insurances such that, in so far as we hold appropriate funds, all such premiums shall be paid to insurers in accordance with the terms of the Required Insurances;
- 4.4.4 to administer the payment of claims from insurers in respect of the Insurances (the "Insurance Claims") including:-
 - (a) negotiating settlement of Insurance Claims presented in respect of the Required Insurances;
 - (b) collating and presenting all information required by insurers in relation to Insurance Claims presented in respect of the Required Insurances; and
 - (c) insofar as it is relevant and practicable, liaising with and reporting to the Authorities throughout the settlement, payment and administration of such Insurance Claims;
- 4.4.5 to advise the Authorities promptly upon receipt of notice of any material changes which we are instructed to make in the terms of the Required Insurances and which, if effected, in our opinion as Insurance Brokers would result in any material reduction in limits or coverage or in any increase in deductibles, exclusions or exceptions;
- 4.4.6 to advise the Authorities in advance of any change to the terms of, or any lapse, non-renewal and/or cancellation of any policy maintained in respect of the Required Insurances; and
- 4.4.7 to use our best endeavours to have endorsed on each and every policy evidencing the Required Insurances (when the same is issued) endorsements substantially in the form set out in Part 3 to Schedule 14 of the Agreement;

4.5 Insurance Cost Reporting Procedures

to prepare following request, at the expense of the Contractor, a Joint Insurance Cost Report on behalf of both the Contractor and the Authorities in accordance with the Insurance Review Procedure as set forth in section 64.13 of the Agreement. We shall ensure that the information in the Joint Insurance Cost Report is fairly represented, based on the information available to us.

5. NOTIFICATION DETAILS

Our obligations at paragraph 4 of this letter to notify or inform you shall be discharged by providing the requisite information in hard copy to:-

Cumbria County Council
Chief Fire Officer
Cumbria Fire and Rescue Service c/o The Courts Carlisle Cumbria CA3 8NA

Lancashire Combined Fire and Rescue Authority
Chief Fire Officer
Lancashire Fire and Rescue Service Headquarters Garstang Road Fulwood Preston PR2 3LH

Merseyside Fire and Rescue Authority
Chief Fire Officer
Merseyside Fire and Rescue Service Headquarters Bridle Road Bootle Merseyside L30 4YD

6. General

- 6.1 For the avoidance of doubt, the undertakings and confirmations given in this letter relate solely to the Required Insurances. They do not apply to any other insurances and nothing in this letter should be taken as providing any undertakings or confirmations in

relation to any insurance (other than the Required Insurances) that ought to have been placed or may at some future date be placed by ourselves or by other brokers.

- 6.2 Following termination of our appointment as broker to the Contractor, on written notice to the Authority we are released from all ongoing obligations set forth in this letter.
- 6.3 Nothing in this letter shall prejudice insurers' right to cancel the Required Insurances in accordance with their terms and the undertakings and confirmations set out in this letter are given subject to such right.
- 6.4 This letter is given by us on the instructions of the Contractor and with the Contractor's full knowledge and consent as to its terms as evidenced by the Contractor's signature below. Accordingly, the Contractor hereby waives any potential liability we might otherwise have had to it arising from actions taken by us to comply with the terms of this letter (including, without limitation, any particular liability relating to any conflict of interest).

Yours faithfully

for and on behalf of Jardine Lloyd Thompson Limited (CN:01536540), 6 Crutched Friars, London, EC3N 2PH

for and on behalf of the Contractor



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