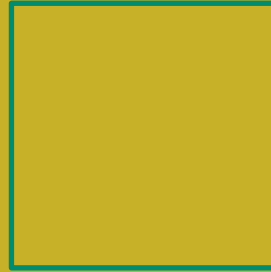


General Indemnity Scheme (GIS)

SIG 02: Determining Insurance Requirements for Goods & Services RFTs & Contracts




Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

An Ghníomhaireacht Stáit um Éilimh
State Claims Agency

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INTRODUCTION AND GUIDANCE OVERVIEW

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This document has been prepared for Delegated State Authorities (DSAs) covered by the General Indemnity Scheme, as operated by the State Claims Agency (SCA), and provides guidance on specifying and reviewing insurance requirements when entering into a contract for services arrangement with a third party and developing Request for Tender (RFT) documents.

GUIDANCE CONTENTS

State Indemnity Guidance 02: Determining Insurance Requirements for Goods and Services RFTs and Contracts

This document provides general guidance on the key elements of insurance and how to check contractor's insurance documentation.

Appendix A: Types of Insurance Cover

This appendix provides details on the various types of insurance cover which may be required when engaging contractors and also provides illustrative examples of scenarios where the relevant types of insurance cover would be required.

Appendix B: Insurance Risk Assessment Template

This template can be used to risk assess the insurance requirements as part of the procurement process or when finalising insurance clauses and contracts with goods or service providers.

Appendix C: Insurance Requirements for Requests for Tenders

A Request for Tender (RFT) is a process whereby standard templates produced by the Office of Government Procurement (OGP) are used for procuring goods and services. This appendix sets out the insurance requirements which would typically be required for the most common categories of RFTs.

Appendix D: Third Party Insurance Questionnaire

This template can be completed by the contractor to assist the DSA in ensuring the contractor has appropriate insurances in place.

RECOMMENDED PROCESS FOR SETTING & REVIEWING INSURANCE REQUIREMENTS

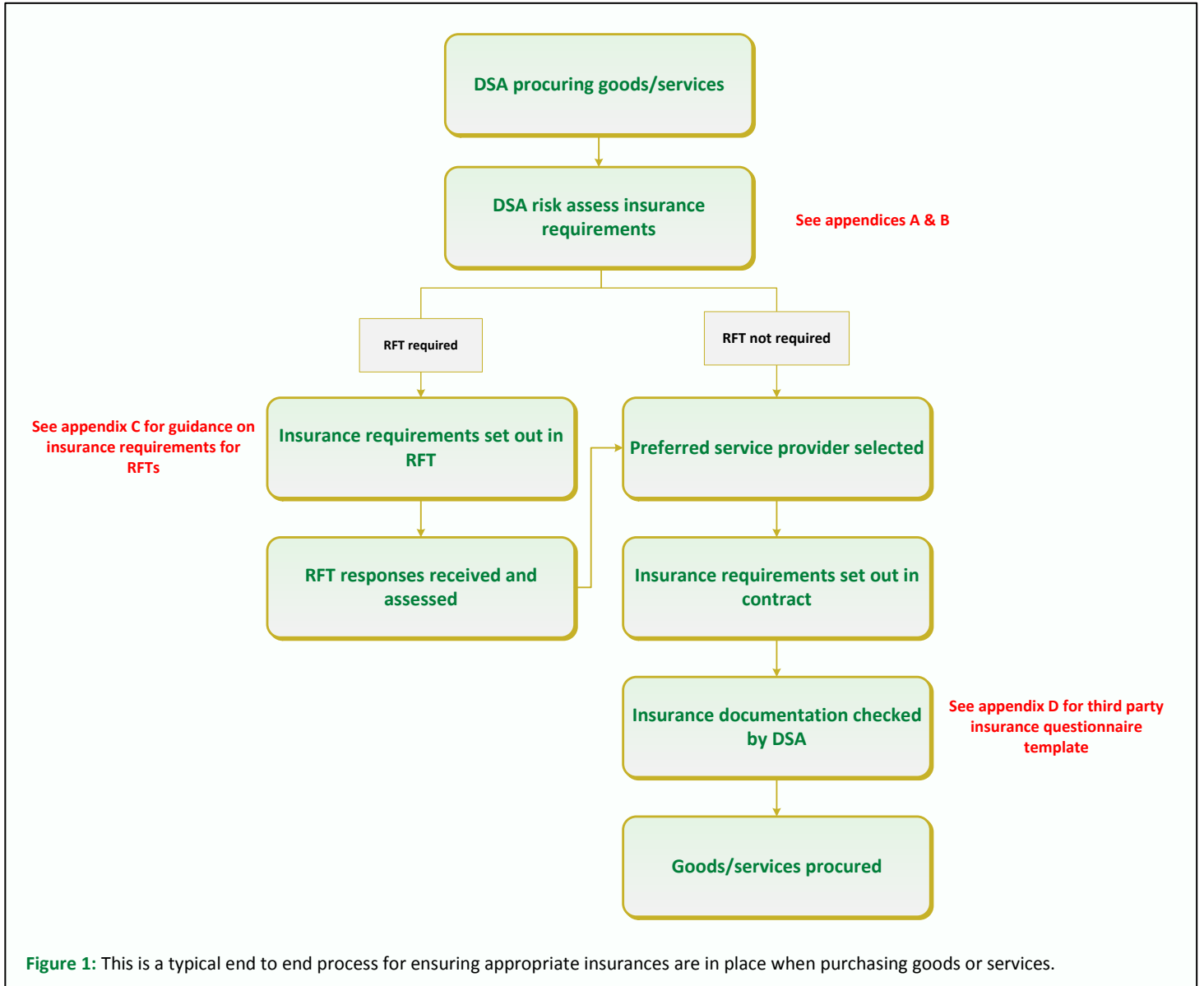


Figure 1: This is a typical end to end process for ensuring appropriate insurances are in place when purchasing goods or services.

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**SIG 02: DETERMINING INSURANCE
REQUIREMENTS
FOR GOODS & SERVICES RFTS
& CONTRACTS**

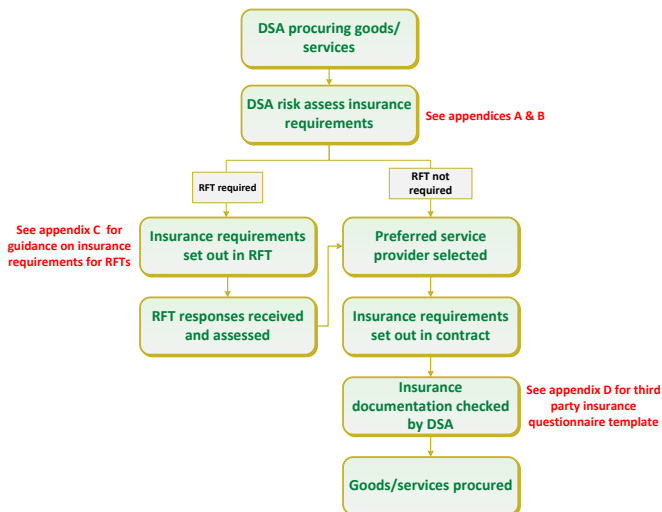
GIS STATE INDEMNITY GUIDANCE 02: DETERMINING INSURANCE REQUIREMENTS FOR GOODS & SERVICES RFTs & CONTRACTS

a) Introduction

This document provides guidance on specifying and reviewing insurance requirements when developing Request for Tender (RFT) documents and entering into a contract for service¹ arrangement with a third party. Please refer to the “SIG-03 Use of Contractors” for further guidance on contracts for services. This document provides insurance and indemnity guidance only and is not intended to provide legal guidance on contractual obligations. In these cases, a Delegated State Authority (DSA)² should consult its legal advisors.

b) Recommended process for setting and reviewing insurance requirements

The process below sets out where insurance requirements should be considered as part of a procurement process and also indicates where the various templates contained in this document may be used as part of the process.



c) Why do you need to specify and check insurance?

Insurance requirements are included in contracts to ensure that the contractor has the financial resources to respond to claims where it is found liable for negligent acts or omissions appropriate to the type of products/services provided and the associated risk exposures involved in performing their obligations under the contract. Insurance requirements are intended to protect DSAs from bearing the cost of claims arising from the negligent acts or omissions of contractors.

The General Indemnity Scheme³, as operated by the SCA, indemnifies a DSA, its servants and/or agents, in respect of any claims for personal injury and/or third-party property damage, arising from the negligence of the DSA, its servants and/or agents. This indemnity confirms to a DSA and third parties that the DSA is indemnified for its negligence when it is performing its various functions. This indemnity does not, however, extend to a third party’s negligent act and

therefore the third party must have adequate insurance in place. Please refer to “SIG-01 State Indemnity operated by the SCA – overview” for further information on the principles of State indemnity.

d) When should third party insurances be checked?

Insurance should be checked prior to entering into an agreement or engaging with a third party. If you have not arranged the contract/service with the third party directly, you should confirm that insurance has been obtained with the project coordinator.

Note: The Office of Public Works (OPW)/HSE Estates confirm the insurance arrangements for all contractors they engage.

e) What other documentation should be in place?

Insurance is only one key element of a risk management strategy. Formal agreements/contracts should be in place when a third party is engaged setting out the roles and responsibilities of all involved. Insurance is not a substitute for good risk management practices and a robust contract, which should include clauses for breach of service, insurance and indemnity clauses etc.

f) What is a Request for Tender (RFT)?

A Request for Tender is a process whereby standard templates produced by the Office of Government Procurement (OGP) are used for procuring goods and services. Insurance requirements are set out as part of the RFT process.

g) How to determine insurance requirements

One of the first tasks prior to running a procurement process/engaging a contractor is to identify the types and levels of risk that could potentially be involved in the contract. Once these are known, the level of insurance required should be assessed. The level of insurance should be appropriate to the identified risk exposure. The type of cover required depends on the service/activity which the third party is involved in/or carrying out for the DSA and should be proportionate to the risk involved. Please refer to [Appendix A](#) for guidance on the various types of insurance cover which may be required.

The risk assessment tool contained in [Appendix B](#) can be used to assist with determining the required insurance levels. In determining the risks associated with each contract, DSAs should consider the following:

- What could go wrong?
- Who/what could be injured/damaged?
- Is there a financial/professional risk? e.g. fraud, data protection.
- What is the cost/impact of this risk?
- How soon would the injuries/damages be identified?

1- **Contracts for service:** independent contractors employed to undertake a particular job. The DSA tells them what needs to be done but the contractor decides how to complete the job and hires out their services for a fee e.g. contractor hired to build an extension. Please refer to SIG-03 - Use of Contractors for further guidance on contracts for service.
 2- **Delegated State Authority (DSA)** - refers to all bodies delegated to the SCA including: State authorities, State agencies, healthcare enterprises, community & comprehensive schools and prisons.
 3- **General Indemnity Scheme (GIS):** Indemnity is a protection against possible damage or loss, typically a promise of payment should damage or losses occur. The GIS, as operated by SCA, is given to State authorities by the State, to compensate third parties or individuals for any losses that incur as a result of the activities of the State (or State body), where the State has been negligent by act or omission.

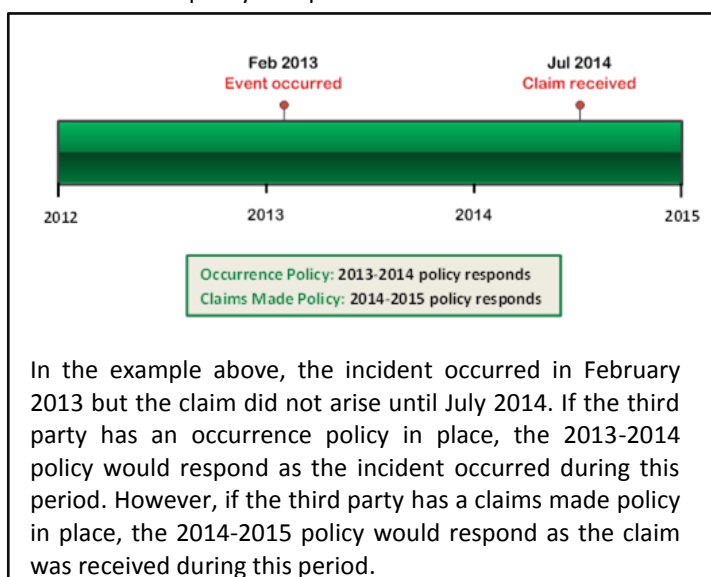
Please refer to [Appendix C](#) for guidance on the types of insurance which may be required for the various categories of RFTs. The insurance requirements set out should be used as a guide only and each RFT should be risk assessed individually to ensure the insurance requirements are appropriate and adequate.

h) How long should insurance cover be in place for?

Insurance cover should be in place prior to the commencement of the contract and needs to run continuously for at least the life of the contract. Depending on the type of policy, it may be appropriate to request that the insurance cover run for a set period after the end of the contract. This can be the case with professional indemnity insurance which is generally offered on a 'claims-made' basis which means the insurance only covers claims made (i.e. reported) within the period of the insurance cover regardless of when an incident occurred. The policy therefore needs to be continuous and retrospective, so that a claim made for an historic incident is covered by the current insurance. Therefore, when assessing the risks associated with each project, agencies should consider the need for, and length of, 'run-off' cover. 'Run-off' cover provides continuing insurance cover for a period beyond the expiry date of the normal annual insurance policy. The 'run-off' cover required should be based on the risks associated with the contract. The 'run-off' period could be anything between 1-6 years.

'Occurrence' policies respond to any events that occur during the period of insurance cover, regardless of when the claim is reported. Most employers, public and products liability policies are written on this basis, however, policies should always be checked.

The difference between an 'Occurrence Policy' and a 'Claims Made' policy is depicted below:



i) What are liability limits?

A liability limit is the financial limit imposed by an insurer, representing the maximum amount it will pay in any particular claim/circumstance. Despite a third party having

insurance cover in place, it is important to note that all the loss or damage caused by this third party will not be covered by the insurance where the liability is above the level of an agreed liability. For example, a contractor may have an insurance policy in place with an indemnity limit of €6.5m. This means that the maximum indemnity available under the policy is €6.5m. Where damages exceed this value, the costs would have to be met by the contractors themselves. DSAs must assess liability limits to ensure they are adequate for the risks associated with the contract.

Indemnity limit exceeded example

A contractor is providing painting services on DSA premises. A visitor sustains catastrophic injuries as a result of equipment which falls from the contractor's scaffolding. The visitor sues the contractor and is awarded damages amounting to €4.5m. However, the contractor only has public liability cover of €2.6m in place and the contractor must meet the remaining €1.9m out of their own funds. In instances where the contractor does not have adequate funds to meet this amount, the third party may pursue the DSA for the remaining amount.

Some insurance policies have aggregate limits while others have an 'any one claim' limit. An aggregate limit of indemnity means a total maximum limit of indemnity for any one period of insurance, regardless of the number of claims. For example, if the aggregate limit is €6.5m, this is the maximum that will be paid out on the policy regardless of the number of claims. Aggregate limits are common for product liability and professional indemnity policies.

Policies with an 'any one claim' limit will cover losses for any one claim or series of claims arising out of a single occurrence. Such limits are common for employers liability and public liability policies.

j) Should the value of a contract be used when determining insurance limits?

Contract value should not be used when determining insurance limits as the contract value can be completely disproportionate to the risk/loss. It is important to be aware that even low value contracts can be high risk. Each contract and the associated risks must be assessed on their own merits.

k) Should the contractor's financial liability be limited as part of the contract?

Limiting the contractor's financial liability can be of benefit in some instances as it ensures that your DSA receives more competitive tenders and ensures that the commercial risk for the contractor is not unacceptable. The terms of the limitation of liability should be set out at tender stage so that contractors can incorporate the provision into their pricing arrangements. The OGP RFT templates contain clauses for specifying liability limits (Special Condition 2 for services, Special Condition 3 for goods). Ultimately, this is a decision for the DSA and the decision should be based on the risks associated with the contract. The aim should be to establish liability limits reflecting a combination of the best



estimate by the DSA of the losses that might be suffered by the DSA in the event of a default by the contractor and the likelihood of those losses occurring. DSAs should ensure that limiting a contractor's financial liability does not contradict the insurance requirements set out in the tenders or contracts e.g. employers liability (€12.7m), public liability (€6.5m). Please also see section (l) below for further guidance on limits.

l) The third party we are entering into the agreement with is a small business, why are the required insurance limits so high?

Although the third party you are engaging with may be a small business, this does not reduce the risks associated with the contract. The insurance requirements should be based on a risk assessment regardless of the size of the business the contract is being awarded to. It is important that the business have adequate insurance cover in place to ensure it has the financial resources to respond to claims where it is found liable for negligent acts or omissions appropriate to the type of goods/services provided and the associated risk exposures involved in performing its obligations under the contract. Some insurances (e.g. employers liability (€12.7m) and public liability (€6.5m)) have standard insurance norm indemnity limits. DSAs should ensure that the insurance limits set out for other insurances are appropriate to the risks associated with the contract. It is also important to ensure that indemnity limits are not excessively high as this will increase the costs associated with the contract.

m) What are policy exclusions?

Policy exclusions define circumstances or types of loss that are not covered by the policy. Policy exclusions are typically listed in the policy schedule.

Policy exclusion example

A contractor is providing window cleaning services to a DSA. An employee of the contractor sustains serious injuries as a result of a fall from a height of 20 metres. The contractor's employee sues the contractor for loss and damages. The contractor has employers liability cover in place, however, it excludes cover for works carried out above 15 metres and the insurance policy will therefore not provide cover for the employee's claim. In instances where the contractor does not have adequate funds to meet the cost of the claim, the contractor's employee may pursue the DSA for loss and damages.

n) Checking third party insurance documentation

A copy of the *third party insurance questionnaire* contained in *Appendix D* can be provided to the contractors for completion which will assist DSAs in determining the levels of cover the third party has in place. Once the relevant insurance documents are received, the DSA needs to confirm the insurance provided is appropriate. The following should be reviewed:

- **Scope** - is the scope of the insurance relevant to the contract you are entering into. For example, if a DSA is entering into a contract for taxi services, the DSA

should ensure that the third party's motor insurance include covers for use of vehicle for hire/reward.

- **Renewal date** - is the policy valid for the terms of the contract? Is 'run-off' cover required? See section (h) for further guidance on renewal dates.
- **Limit of indemnity** - confirm the limits specified are adequate and appropriate to the risks involved.
- **Policy wording** - when reviewing the policy please note the following:
 - **Territorial limits and jurisdiction** - where a third party is not based in the Republic of Ireland, DSAs should confirm that the territorial limits and jurisdiction operate in the Republic of Ireland.
 - **Excess and inner limits** - most policies will have an excess and/or inner limits. High limits should be considered in the context of the contract and the risk. Generally this should be no more than €50,000.
 - **Restrictions/Conditions/Warranties** - ensure there are no restrictions/conditions/warranties which are relevant to the contract/service.
- **Sub-contractors** - if any portion of the work is subcontracted, the third party will need to confirm to the DSA that there are appropriate insurance arrangements in place for these sub-contractors. This should form part of the contract. It is not the responsibility of the DSA to check the third party's sub-contractor's insurance details but the DSA should confirm that the necessary insurances are in place.
- **Indemnity to principals clause** - indemnity to principals is an agreement to indemnify the principal (DSA) for claims arising out of work done by the insured (third party) in connection to a specific agreement/contract. This is a requirement for public, product and employers liability policies and third parties should confirm it is in place and applies to the DSA. This can be confirmed formally by the broker/insurer or can be included in the policy in writing.
- **Insurer** - insurances should be placed with an insurer or insurers authorised to operate in Ireland by the Central Bank of Ireland.

o) When do I need to contact the SCA?

DSAs do not need to contact the SCA in relation to each contract or RFT. DSAs are more aware of the risks involved in the contracts and are therefore best placed to assess the insurance requirements. DSAs should use the risk assessment template in *Appendix B* to identify the insurance requirements. Where DSAs require further guidance on insurance requirements for contracts or RFTs, please forward your query and a copy of the completed risk assessment template in *Appendix B* to stateclaims@ntma.ie. Please allow six working days or more for a response depending on the complexity of the query.

APPENDICES



APPENDIX A: TYPES OF INSURANCE COVER

The following is a summary of the common types of insurance that may be considered in the context of contractual insurance requirements. Please note the insurances listed below are not an exhaustive list. The examples provided are for illustrative purposes only.

Typical insurances required:

Employers liability - covers the legal liability of an employer for bodily injury or disease sustained by an employee and which arises out of and in the course of the employment. Employers liability insurance is required where the third party's obligations under the contract have the potential to cause personal injury or property damage to its employees. The insurance norm limit for employers liability cover is typically be €12.7m for any one claim or series of claims arising out of a single occurrence. Employers liability cover is not required if the third party is self-employed.

Employers liability example:

An employee of a contractor providing electrical services to a DSA on DSA premises sustains injuries as a result of a fall from the contractor's defective ladder. The contractor's employee sues the contractor and the DSA for loss and damages. Assuming the DSA is not at fault, the contractor's employers liability insurance cover should respond to both the claim against the contractor and any costs incurred by the DSA in defending its position.

Public liability - protects an insured in respect of its legal liability to third parties for bodily injury and for any loss or damage to property which happened in connection with the insured business. Public liability insurance is required where the third party's obligations under the contract have the potential to cause personal injury or property damage to members of the public (including DSA employees who are considered third parties in respect of the insured contract). The insurance norm limit for public liability cover would typically be €6.5m for any one claim or series of claims arising out of a single occurrence although lower limits are acceptable where risk assessed.

Public liability example:

A contractor providing cleaning services to a DSA, on DSA premises, injures a member of the public who sues the DSA and the contractor for loss and damages. Assuming the DSA is not at fault, the contractor's public liability insurance cover should respond to both the claim against the contractor and any costs incurred by the DSA in defending its position.

Product liability - insurance for all producers and sellers of goods (manufacturers, intermediaries or retailers) who may incur liability to their customers and others, for injury, illness, loss or damage arising from the supply of goods. Product liability is required where the supplier provides products (including software) that are sold or supplied as part of the contract and which could cause injury or property damage.

Product liability can be a separate policy or it can be combined with a public liability policy. The minimum acceptable indemnity limits for product liability would normally be €6.5m for any one occurrence and in the aggregate per insurance year. A lower limit may be acceptable where risk assessed.

Product liability example:

A contractor supplies a DSA canteen with food products that cause a number of employees to sustain food poisoning. The employees sue the DSA and the contractor for loss and damages. Assuming the DSA is not at fault, the contractor's product liability insurance cover should respond to both the claim against the contractor and any costs incurred by the DSA in defending its position.

Professional indemnity - protects professionals against claims, alleging that injury or financial loss, resulted from their professional actions, services or advice e.g. architect, engineer, solicitor. Professional indemnity insurance is particularly relevant where a DSA is relying upon the professional expertise of a third party. The level of indemnity required should be based on the risks associated with the services. Limits can range from €500,000 for low risk contracts to €10m or more for large scale high risk projects. DSAs should conduct a risk assessment to identify the level of risk associated with a potential failure, delay or error in the provision of the services and this will identify the level of professional indemnity cover required.

Provided the annual professional indemnity insurance policy is renewed each year, 'run-off' cover is not necessary. However, if a consultant ceases to practice, or no longer continues professional indemnity cover, then the consultant should be required to purchase a 'run-off' policy that will provide a retroactive cover from the date at which the annual professional indemnity insurance policy expires.

Professional indemnity example:

A contractor trains DSA accounting staff in new accounting practices and the use of new software. The contractor was negligent in the advice given, resulting in significant accounting errors causing large financial losses. The DSA can seek compensation for losses from the contractor. The contractor's professional indemnity policy would respond.

Motor - mandatory insurance cover in Ireland. Motor vehicle insurance should be required if the use of a motor vehicle is an integral part of the contract e.g. taxis, couriers, hauliers etc. A commercial insurance policy should provide the following cover at a minimum:

- legal liability for death or bodily injury to any person (unlimited)
- minimum limit of €1.3m for third party property damage for any one accident (increasing to €6.5m if required).



Motor insurance example:

A contractor supplies courier services to a DSA. While delivering goods on behalf of the DSA, the courier crashed into a third party vehicle as a result of the driver's lack of care and attention. The DSA and the courier contractor are pursued for loss and damages by the third party. Assuming the DSA is not at fault, the contractor's motor insurance cover should respond to both the claim against the contractor and any costs incurred by the DSA in defending its position.

Other types of insurance cover which may be relevant:

Efficacy cover - This type of insurance is designed to cover the failure of an item to perform its intended function. Efficacy cover is typically an extension to public/product liability insurance.

Efficacy cover example:

A contractor fits a fire detection system on a DSA premises. A few months later, a fire starts during the night but the fire detection system failed and did not perform its intended function. The fire causes €2m worth of damages to the DSA premises. The DSA can seek compensation for losses from the contractor as the fire detection system did not perform its intended function. The contractor's efficacy cover would respond.

Cyber liability - specialist insurance which includes cover for such things as:

- Unlawful use of the computer system;
- Computer virus;
- Compensation following the impact of loss of revenue through a failure in the computer systems;
- Support and notification costs;
- Damage or costs incurred through vilification or infringement performed through computer systems or the business websites;
- Liabilities from breach of privacy or confidentiality;
- Transmission of virus or a denial of service attack;
- Cyber insurance could be required if there is a risk to the online network and the risks outlined above are applicable to the services.

Cyber liability example:

A DSA purchases a HR Payroll software programme from a contractor. The DSA uses the system to store HR data for 30,000 employees and to process salary payments. A hacker breaks into the software, and accesses sensitive information regarding the 30,000 employees. The employees pursue the DSA and the contractor for costs and damages for breach of privacy and confidentiality. It was deemed that the security features of the software were not adequate, so the contractor's cyber liability policy would respond.

Environmental impairment - provides cover for liability resulting from pollution or alleged pollution e.g. clean up costs etc. DSAs should conduct a risk assessment to identify the level of environmental risk, if any. Environmental

impairment exposures would include covers for contamination damage caused to soil or water by gradual pollution over the course of a project. Most public liability policies will only provide cover for pollution if it's a sudden identifiable incident which causes damage.

Environmental impairment example:

A contractor supplies waste disposal services to a DSA. While the waste is being stored at the contractor's site, it leaks over time and pollutes local water supplies. The contractor and DSA are pursued for damaging local water supplies. The clean-up costs of €500,000 are not covered under the contractor's public liability as the policy excludes demands by regulators to pay for clean-up. Assuming the DSA is not at fault, the contractor's environmental impairment policy should respond to both the claim against the contractor and any costs incurred by the DSA in defending its position.

Contractors all risks - provides cover in respect of contract works, both temporary and permanent, while in the course of construction and until handed over by the contractor to the DSA, e.g. extension to a building. Contractors all risks insurance also provides cover for the contractor's property, hired-in plant and the employees' tools.

Contractors all risks example:

A contractor is constructing a new building on behalf of a DSA. The contractor stores an excavator on site overnight which is stolen. The contractor's all risks policy would respond.

Fidelity/Crime - protection against fraud and crime by employees and/or third parties.

Fidelity/Crime example:

A contractor provides cash transit services to a DSA. It is established that one of the contractor's employees has been fraudulently stealing cash from the DSA with the total loss amounting to €100,000. The DSA would seek compensation for losses from the contractor. The contractor's fidelity/crime policy would respond.

Goods/Money in Transit - provides cover for goods/money that are lost or stolen while being transported. The limit of indemnity should be proportionate to the value of the goods/money being transported i.e. if the goods being transported are damaged, how much will it cost to replace them.

Goods/Money in transit example:

A contractor transports specialist high value medical equipment for a DSA. While transporting the equipment, the equipment was damaged resulting in the DSA having to replace the equipment. The total cost to replace the equipment amounted to €120,000. The DSA would seek compensation for losses from the contractor. Most motor insurance policies will not provide cover for goods or equipment being transported so the contractor's goods in transit policy would respond.

APPENDIX B: INSURANCE RISK ASSESSMENT TEMPLATE

The following template may be used to assess the insurance requirements for a goods or services contract or a request for tender.

SECTION A – DETAILS OF CONTRACT

Date: Brief description of goods/services being provided:
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SECTION B – INSURANCE REQUIREMENTS ASSESSMENT

Employers Liability	Yes	No
Q1: <i>Is there a risk that the contractor’s employees may sustain personal injuries or disease as a result of the goods/services being provided?</i>		
Description of risks (if yes):		
Notes: <ul style="list-style-type: none"> If ‘yes’, employers liability (EL) insurance is required. <u>EL is required for most goods/services contracts.</u> EL is not required if the contractor is self-employed. The standard limit for EL is €12.7m limit for any one claim or series of claims arising out of a single occurrence. 		
Public Liability	Yes	No
Q2: <i>Is there a risk that a third party (DSA employees, members of the public) may sustain personal injuries as a result of the goods/services being provided by the contractor?</i>		
Description of risks (if yes):		
Notes: <ul style="list-style-type: none"> If ‘yes’, public liability (PL) insurance is required. <i>PL is required for most goods/services contracts.</i> The standard limit for PL insurance is €6.5m limit for any one claim or series of claims arising out of a single occurrence 		
Product Liability	Yes	No
Q3: <i>Are products being provided as part of the contract?</i>		
Description of risks (if yes):		
Notes: <ul style="list-style-type: none"> If ‘yes’, product liability insurance is required. The standard limit for product liability insurance is €6.5m for any one occurrence and in the aggregate per insurance year. ‘Efficacy’ cover may also be required. If the product fails to perform as specified is it likely to cause injury or damage? See Appendix A for guidance on ‘Efficacy’ cover. 		
Professional Indemnity	Yes	No
Q4: <i>Will the contractor be providing professional services as part of the contract? Examples of professional services include accountants, architects, consultants, solicitors etc.</i>		
Q5: <i>Is there potential for injury or financial loss resulting from their actions or advice?</i>		
Description of risks (if yes):		
Notes: <ul style="list-style-type: none"> If ‘yes’ to Q4 and Q5, professional indemnity insurance is required. The DSA should conduct a risk assessment to identify the level of professional indemnity insurance required i.e. If the contractor provides an inadequate professional service, what is the likely financial loss to the DSA? 		

Other Insurances	Yes	No
Q6: Motor Insurance: <i>Is the use of a motor vehicle(s) an integral part of the contract? e.g. haulier, courier.</i>		
Q7: Goods/Money in Transit: <i>Will the contractor be transporting DSA goods/money as part of the contract?</i>		
Q8: Cyber Liability: <i>Could the DSA online or ICT network be breached or damaged as a result of the goods/services being provided by the contractor?</i>		
Q9: Environmental Impairment: <i>Is there a risk of environmental damage or pollution as a result of the goods/services being provided?</i>		
Q10: Contractors All Risks: <i>Will the contractor be carrying out construction works as part of the contract?</i>		
Q11: Fidelity/Crime Insurance: <i>Will the contractor, their servants/agents, have access to highly confidential information or high value goods (e.g. money) which could be used for fraudulent reasons?</i>		
Description of risks (if yes):		
Notes: <ul style="list-style-type: none"> If 'yes', the insurance type in question is required. Please see Appendix A for guidance on limits for the 'other' types of insurance. 		

SECTION C – SUMMARY OF INSURANCE REQUIREMENTS

Type of insurance	Limit of indemnity

SECTION D – ADDITIONAL COMMENTS

Signed: _____

Date:

APPENDIX C: INSURANCE REQUIREMENTS FOR REQUESTS FOR TENDERS

Part A

A Request for Tender (RFT) is a process whereby standard templates produced by the Office of Government Procurement (OGP) are used for contracting goods and services. The tables below set out the insurance requirements which would typically be required for the most common categories of RFTs. **The insurance requirements set out should be used as a guide only and each RFT should be risk assessed individually to identify the levels of insurance required.** For guidance on insurance requirements for Construction Projects, please refer to www.constructionprocurement.gov.ie.

EL=Employers liability, PL=Public liability, **Prod:** Product liability, PI=Professional indemnity

1. Facilities Management, Maintenance	
Service	Recommended Insurance Requirements
a. Building Maintenance	EL: €12.7m, PL: €6.5m, Contractors all risks: With a limit appropriate to the associated risks. Note: Product liability insurance required if the contractor is supplying products as part of the services.
b. Catering Supplies	EL: €12.7m, PL: €6.5m, Prod: €6.5m
c. Catering Services	EL: €12.7m, PL: €6.5m, Prod: €6.5m
d. Cleaning Supplies	EL: €12.7m, PL: €6.5m, Prod: €6.5m
e. Cleaning Services	EL: €12.7m, PL: €6.5m
f. Document Management	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required. Note: Motor insurance and goods in transit insurance would be required if the contractor is physically transferring documents from DSA premises. Cyber liability insurance would also be required if there is a risk to DSA online network e.g. electronic document management systems. Crime/fidelity insurance would be required if the contractor's employees will have access to highly confidential documents which could be used for fraudulent reasons.
g. Fittings/ Furnishings	EL: €12.7m, PL: €6.5m, Prod: €6.5m
h. Health & Safety	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
i. Laundry Services	EL: €12.7m, PL: €6.5m
j. Library	EL: €12.7m, PL: €6.5m
k. Security Services	EL: €12.7m, PL: €6.5m, Crime/fidelity insurance would be required if the contractor's employees will have access to highly confidential documents which could be used for fraudulent reasons.
l. Sports Equipment	EL: €12.7m, PL: €6.5m, Prod: €6.5m
m. Uniforms/Clothing	EL: €12.7m, PL: €6.5m, Prod: €6.5m
n. Waste Management	EL: €12.7m, PL: €6.5m, Environmental: with a level of indemnity appropriate to the environmental risks.
o. Landscaping	EL: €12.7m, PL: €6.5m, Contractors all risks insurance: With a limit appropriate to the associated risks.

2. Utilities	
Service	Recommended Insurance Requirements
a. Electricity	EL: €12.7m, PL: €6.5m, Prod: €6.5m
b. Gas	EL: €12.7m, PL: €6.5m, Prod: €6.5m
c. Fuels	EL: €12.7m, PL: €6.5m, Prod: €6.5m
d. Water	EL: €12.7m, PL: €6.5m, Prod: €6.5m

3. Professional Services	
Service	Recommended Insurance Requirements
a. Actuarial	EL: €12.7m, PL: €6.5m, PI: Min. cover of €6.5m or the value of the contract where > than €6.5m.
b. Advisory	EL: €12.7m, PL: €6.5m, PI: The level of PI required will be dependent on the nature of the advisory services being provided and should be based on the outcome of a risk assessment.
c. Architect	EL: €12.7m, PL: €6.5m, PI: Min. cover of €6.5m or the value of the contract where > than €6.5m.
d. Audit	EL: €12.7m, PL: €6.5m, PI: Min. cover of €6.5m or the value of the contract where > than €6.5m.
e. Banking	EL: €12.7m, PL: €6.5m, PI: Min. cover of €6.5m or the value of the contract where > than €6.5m.
f. Communication	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m.
g. Creative Services	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m.
h. Financial	EL: €12.7m, PL: €6.5m, PI: Min. cover of €6.5m or the value of the contract where > than €6.5m.
i. Information Technology	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Note: Cyber liability insurance should be required if there is a risk to the DSA online network.
j. Insurance	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m.
k. Legal	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1.5m or the value of the contract where > than €1.5m.
l. Public Relations	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m.
m. Quantity Surveying	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m.
n. Research	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m.
o. Temporary Staff/Contractors	EL: €12.7m, PL: €6.5m, PI: Dependant on the nature of the services being provided. Please refer to SIG 3 for further guidance on contractors.
p. Chaplaincy Services	EL: €12.7m, PL: €6.5m

Note: The PI limits above are recommended as a guide only. DSAs should determine PI limits based on a risk assessment.

4. Fleet / Plant	
Service	Recommended Insurance Requirements
a. Equipment	EL: €12.7m, PL: €6.5m, Prod: €6.5m
b. Fuel	EL: €12.7m, PL: €6.5m, Prod: €6.5m
c. Maintenance	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
d. Other Plant (Lifter, Generator, etc.)	EL: €12.7m, PL: €6.5m, Prod: €6.5m
e. Vehicle Purchase	EL: €12.7m, PL: €6.5m, Prod: €6.5m Note: PI cover would be required if the supplier is providing professional advices e.g. finance advice
f. Vehicle Fit Out (e.g. Ambulance)	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
g. Vehicle Rental	EL: €12.7m, PL: €6.5m, Motor: Dependant on nature of service provided. Contact SCA for further advices.

5. Travel and HR Services	
Service	Recommended Insurance Requirements
a. Car Hire	EL: €12.7m, PL: €6.5m, Motor: Please refer to State Indemnity Guidance Document on Motor for guidance on motor insurance requirements for DSAs.
b. Employee Assistance Programme	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
c. Health and Safety	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
d. Hotel	EL: €12.7m, PL: €6.5m
e. Meetings, Seminars, Conferences & Events	EL: €12.7m, PL: €6.5m
f. Recruitment	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
g. Training	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m
h. Transport	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required. Motor: Unlimited indemnity in respect of third party personal injury and a third party property damage limit of not less than €6.5m for any claim or series of claims arising out of one incident. A minimum limit of €1.3m may be appropriate for larger commercial vehicles e.g. hauliers. Goods in Transit: With a limit appropriate to the value of the goods being transported.
i. Air	EL: €12.7m, PL: €6.5m
j. Rail	EL: €12.7m, PL: €6.5m
k. Road (Taxi and Bus Hire)	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required. Motor: Unlimited indemnity in respect of third party personal injury and a third party property damage limit of not less than €6.5m for any claim or series of claims arising out of one incident.
Note: PI cover is not required if the supplier is strictly supplying products only. If they are also providing professional services (e.g. training), PI cover would be required. Cyber liability insurance should be required if there is a risk to the DSA online network.	

6. Information Communication Technology, & Office Equipment	
Service	Recommended Insurance Requirements
a. Hardware	EL: €12.7m, PL: €6.5m, Prod: €6.5m
b. Software	EL: €12.7m, PL: €6.5m, Prod: €6.5m
c. Services	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required.
d. Telecoms - Data	EL: €12.7m, PL: €6.5m, Prod: €6.5m
e. Telecoms - Equip	EL: €12.7m, PL: €6.5m, Prod: €6.5m
f. Telecoms - Mobile	EL: €12.7m, PL: €6.5m, Prod: €6.5m
g. Telecoms - Voice	EL: €12.7m, PL: €6.5m, Prod: €6.5m

6. Information Communication Technology, & Office Equipment Continued	
Service	Recommended Insurance Requirements
h. Postage	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required. Motor: Unlimited indemnity in respect of third party personal injury and a third party property damage limit of not less than €6.5m for any claim or series of claims arising out of one incident. Goods in Transit: With a limit appropriate to the value of the goods being transported
i. Couriers	EL: €12.7m, PL: €6.5m, PI: Min. cover of €1m or the value of the contract where > than €1m. Risk assessment may indicate that a higher limit is required. Motor: Unlimited indemnity in respect of third party personal injury and a third party property damage limit of not less than €6.5m for any claim or series of claims arising out of one incident. A minimum limit of €1.3m may be appropriate for larger commercial vehicles e.g. hauliers Goods in Transit: With a limit appropriate to the value of the goods being transported.
Note: PI cover is not required if the supplier is strictly supplying products only. If they are also providing professional services (e.g. training), PI cover would be required. Cyber liability insurance should be required if there is a risk to the DSA online network.	

Part B

How to complete section 2.21 of OGP RFT template:

Section 2.21 of the OGP RFT template contains a table to enter the insurance requirements for the RFT. The table should be completed as follow:

Type of Insurance	Indemnity Limit	SCA Guidance Note
Employers liability	€12.7m for any one claim or series of claims arising out of a single occurrence (if self-employed this is not necessary)	Recommended for all contracts.
Public liability	€6.5m limit for any one claim or series of claims arising out of a single occurrence	Recommended for all contracts.
Product liability	€6.5m limit on any one occurrence and in the aggregate per insurance year.	Required if products are being provided as part of contract.
Professional indemnity	*€x limit in the aggregate per insurance year.	*Required if professional services are being provided as part of the contract. DSA should conduct a risk assessment to identify required limit.
Other insurances	List as required	Identified through risk assessment of contract. See Appendix B for risk assessment template.
Both the employers and public liability policies should include an indemnity to principals clause and these documents should be made available to the contracting organisation.		Include this additional text in table.

APPENDIX D: THIRD PARTY INSURANCE QUESTIONNAIRE

The General Indemnity Scheme, as operated by the State Claims Agency (SCA), provides indemnity to a Delegated State Authority (DSA)¹ for personal injury and third party property damage which is the result of the negligence of the DSA, its servants and/or agents. Please refer to the DSA’s confirmation statement. The indemnity confirms that the DSA is covered for their negligence when they are performing their various functions. This indemnity does not extend to a third party’s negligent act(s).

The following questionnaire is intended to ascertain the current insurance arrangements in place for your company before entering into a contract for service with the DSA. The questionnaire can be completed by your company or your broker. This is not the final insurance requirements for the contract; a DSA may request additional cover or limits of indemnity following assessment of the information provided. This form should be completed accurately and should be a true reflection of the insurance cover in place.

Date form completed	
DSA name and contact details	
Contractor name and contact details	
Scope of services/contract	
Are you engaging a subcontractor for the services provided? If ‘yes’, provide details of services provided and the insurance arrangements for these subcontractors engaged.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Confirm territorial limits and jurisdiction of insurance policies include Republic of Ireland	
The insurer(s) are authorised to operate in Ireland by the Central Bank of Ireland.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Completed by: _____

Signed: _____

Date: _____

¹ **Delegated State Authorities (DSA)** - refer to all bodies delegated to the SCA it includes: State authorities, State agencies, healthcare enterprises, C&C schools and prisons.

Insurance type	Employers Liability (not required if self-employed)	Public/Product Liability ²	Professional Indemnity		
Insurer					
Policy Number					
Renewal date					
Scope of policy – relevant to service provided?	<input type="checkbox"/> Yes <input type="checkbox"/> No Describe:	<input type="checkbox"/> Yes <input type="checkbox"/> No Describe: Product Liability included? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No Describe:	<input type="checkbox"/> Yes <input type="checkbox"/> No Describe:	<input type="checkbox"/> Yes <input type="checkbox"/> No Describe:
Includes all employees ² ?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Limit of indemnity	€12.7m any one claim or series of claims arising out of a single occurrence <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	Public- €6.5m any one claim or series of claims arising out of a single occurrence <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a Product- €6.5m any one occurrence and in the aggregate per insurance year <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a			
Deductibles/Excesses					
Is the policy a claims made or occurrence policy?	<input type="checkbox"/> Claims made <input type="checkbox"/> Occurrence policy	<input type="checkbox"/> Claims made <input type="checkbox"/> Claims occurred	<input type="checkbox"/> Claims made <input type="checkbox"/> Claims occurred	<input type="checkbox"/> Claims made <input type="checkbox"/> Claims occurred	<input type="checkbox"/> Claims made <input type="checkbox"/> Claims occurred
Does the policy have any run off period (if a 'claims made policy')	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, until when?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, until when?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, until when?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, until when?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, until when?
Indemnity to principals clause	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Exclusions/Restrictions/ Conditions/ Warranties which are relevant to the contract/service					
Policy Schedule Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other relevant information					

² Persons on a contract of service or apprenticeship, labour masters or persons supplied to them, labour-only subcontractors, persons engaged in work experience or similar schemes, hired or borrowed employees under an agreement



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

An Ghníomhaireacht Stáit um Éilimh
State Claims Agency

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