

# INSURANCE & RISK MANAGEMENT

## SERVICE LEVEL AGREEMENT

### Package B

**Material Damage, Money, Motor, Travel  
& Engineering Insurances**

**1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025**

Please read this document carefully and if you have any questions on either the cover or services provided then, in the first instance please contact [insurance@southampton.gov.uk](mailto:insurance@southampton.gov.uk) noting that schools are required to confirm their intentions by no later than **31st January 2024**.

Please also note Paragraph 2.11 which refers to the '**Risk Protection Arrangement**' which is an alternative to conventional insurance and is available to maintained schools via the DfE.

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## **B. INSURANCE SERVICE SPECIFICATION** **(Material Damage, Money, Motor, Travel & Engineering Insurances)**

### **1. Introduction**

- 1.1 This Service Level Agreement (SLA) describes the service available from the council's Risk and Insurance Services to schools. This SLA should be read in conjunction with the **SERVICE SPECIFICATION (Package A - Liability Insurances)**.
- 1.2 **Schools will need to select both Insurance SLAs (Packages A & B) in order to benefit from the widest cover provided under the council's corporate insurance programme.**
- 1.3 The following services are provided by the council's Risk and Insurance Services section as part of the SLA:
- 1.3.1 Access to an experienced in-house team who take pride in delivering a professional and approachable service that provides both helpful and pragmatic advice, support and guidance on all risk and insurance related matters;
  - 1.3.2 A responsive and reliable service that operates the following service standards:
    - General Claims Correspondence - within 5 working days;
    - New Claims - Set up and acknowledged - within 2 working days;
    - Telephone calls - returned within 1 working day.
  - 1.3.3 Access to a dedicated 'Insurance for Schools' intranet page that provides all relevant insurance information and including a suite of best practice 'RMI Guides' covering a range of risk and insurance issues specific to schools, such as: school journeys, volunteers, minibuses, money on school sites, hire of premises, etc. The information is also available via the Schools Extranet.
  - 1.3.4 Access to specialist technical risk and insurance information, advice and guidance through either insurers or the council's insurance brokers
  - 1.3.5 Provision of an appropriate and cost effective insurance programme developed in consultation with the council's appointed Insurance Brokers;
  - 1.3.6 Provision of a comprehensive and supportive insurance claims handling service in respect of claims that a school may need to make following loss or damage to property or claims in respect of other perils covered under the insurance programme.
  - 1.3.7 Co-ordination of the claims process on behalf of schools including communication with claims handlers, insurers, loss adjusters and other internal service areas.

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- 1.3.8 Appointment of external loss adjusters where required, which is provided at no additional cost and forms part of the overall claims handling service.
  - 1.3.9 Periodic tender of the insurance programme, in accordance with both EU procurement legislation and the council's Contract Procedure Rules, in order to ensure that 'best value' is maintained.
  - 1.3.10 Placement of cover with external insurers including the negotiation of premium rates and policy terms together with completion of an annual insurance renewal declaration;
- 1.4 The services specified are provided under the terms of, and at the prices detailed in, the Response Sheet.

## 2. Service Options

- 2.1 The delegated option applies in respect of the suite of insurance covers detailed in **Table 1**.
- 2.2 **Please note that there is no facility to select individual elements of the package.**
- 2.3 It is recognised however that not all schools operate a minibus and therefore a separate charge is made to those schools where the motor insurance cover is required.
- 2.4 An adjustment is also made for those schools where the council does not have responsibility for the operation and management of the school premises and/or where a third party is responsible for insurance of the school buildings.
- 2.5 **Table 1** provides a summary of the delegated insurance option offered to schools under Package B. It does not include the full terms and conditions of the cover and any query regarding cover should be directed to the Risk and Insurance Services Section (see service contact details in paragraph 3).
- 2.6 **Table 1** reflects the cover currently provided under the 2023-24 insurance programme noting that no changes in the scope of cover are expected, and that 2024-25 is the last year of the current contract with insurers.

**Table 1.**

<b>Cover provided</b>	<b>Insurer</b>	<b>What's covered</b>	<b>Limit / excess</b>
<b>Material Damage - Buildings / Contents</b>	Zurich Municipal	Buildings and all contents that are damaged or destroyed as a result of: <ul style="list-style-type: none"> <li>• Fire;</li> <li>• Lightning;</li> <li>• Explosion;</li> <li>• Earthquake;</li> <li>• Aircraft; and</li> <li>• Riot and Civil Commotion.</li> </ul>	Day One cover to the value of the sum insured (this allows for an increase to the sum insured, to allow for inflation) <b>Excess - £ nil</b>
<b>Material Damage - IT Equipment</b>	Zurich Municipal	All risks cover (which includes theft, accidental/malicious damage, damage due to ingress of water into the building) in respect of desktops, laptops, palmtops, notebooks and peripheral IT equipment including digital cameras, Sat Nav systems and portable projectors/printers.	<b>Excess - £250</b> each and every claim Includes cover for equipment that is temporarily removed or in transit to or from the school.
<b>Material Damage - Other contents</b>	SCC internal insurance fund	Theft cover - other 'portable electrical items or equipment' i.e. televisions, CD/DVD players, power tools etc on a 'theft cover only' basis.	<b>Excess - £ nil</b>
<b>Construction Work at Existing premises - Contract Works</b>	Zurich Municipal	Damage to existing premises whilst construction work (comprising of additions to, or refurbishment of, existing buildings) is being carried out where the contract terms require cover to be in the joint names of the school/council and the contractor.	<b>Limit of Indemnity £2.5m any one contract</b>
<b>Business Interruption (Additional Expenses)</b>	Zurich Municipal	Cost of additional expenditure incurred in order to minimise any interruption of, or interference with, the school's activities as a result of serious damage to the building in respect of an insured incident (as above). Expenses may include temporary accommodation, transport etc.	<b>Excess - £ nil</b> Cover is provided for a period of up to 36 months from the date of the incident.

<b>Business Interruption (Loss of Data)</b>		The expense associated with reinstating data from back-up servers	<b>Cover up to £350k</b>
<b>Money - Official School Funds</b>	Zurich Municipal	Theft of cash, bank notes including crossed cheques, crossed money order. Cover includes damage to safes caused by theft or attempted theft and any incidental damage to clothing or personal effects of any employee up to a maximum of £500 any one employee	<b>Limit - various, including cash on premises or in transit</b> <b>Excess - £ nil</b> Note: The 'insurance cash limit' in respect of a safe is subject to basic security criteria being met. Cover for money held in other locked receptacles - up to £150 per location.
<b>Money - Unofficial School Funds</b>	Zurich Municipal	Unofficial school funds including Book Tokens up to £500.	<b>Excess - £ nil</b> (subject to monies being held in a safe as per the above and the lower limit applying in respect of money in other locked receptacles)
<b>Motor - School Minibuses</b>	Travelers Insurance Company	Comprehensive insurance in respect of loss or damage caused by: <ul style="list-style-type: none"> <li>• Accidental means including malicious damage;</li> <li>• Fire; and</li> <li>• Theft or attempted theft.</li> <li>• Unlimited limit of indemnity in respect of death or injury to third parties and a limit of £5m in respect of damage to third party property.</li> </ul>	<b>Excess - £ nil</b> (except in respect of own damage where a £100 excess applies). Note: Authorised persons driving the vehicle are expected to be MiDAS trained.

<b>Travel (UK &amp; Overseas)</b>	AIG UK Limited	<ul style="list-style-type: none"> <li>• Medical and emergency travel expenses - Unlimited</li> <li>• Cancellation - £5k*</li> <li>• Money - £1k</li> <li>• Personal property/baggage - £2.5k</li> <li>• Personal accident - £30k</li> <li>• Personal liability £2m</li> <li>• Legal expenses £50k</li> </ul> <p>Cover in respect of pupils, teachers, volunteers and helpers who are registered members of an educational trip party in the UK or elsewhere in the world and including winter sports. Note: the cover does not apply to trips within the UK not involving an overnight stay.</p> <p><i>* With effect from 1<sup>st</sup> April 2021 cover in respect of cancellation of trips due to coronavirus or similar pandemics is excluded.</i></p>	<b>Excess - £ nil</b>  Note: A summary of cover is available via the Risk & Insurance intranet site and the schools extranet site.
<b>Engineering Insurance</b>	Zurich Municipal	Damage to surrounding plant or property as a result of sudden and unforeseen damage (including breakdown, explosion or collapse) in respect of plant or machinery that is included on schedule of plant and equipment that is subject to periodic statutory inspection (see below).	<b>Limit of Indemnity - £100k -</b> Damage to own plant <b>£2m -</b> Damage to own surrounding property
<b>Statutory plant inspection services - Engineering Inspection</b>	Zurich Risk Engineering	By law, statutory inspection of various plant and equipment must be undertaken on a periodic basis in order to comply with statutory and regulatory requirements. Type of plant and equipment requiring 'statutory' inspection includes boilers, lifts and lifting equipment, pressure plant, extraction systems (e.g. dust extraction systems and including fume cupboards)	Inspections are undertaken by Engineering Surveyors who provide reports that advise on the continued safe operation of plant and equipment. RMI Services hold a list of the items of plant or equipment for each site (details of which are available upon request)

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- 2.8 Schools are responsible for ensuring that all material facts are disclosed. A "material" fact is defined as one which would influence an underwriter when they were deciding whether to accept the risk. Non-disclosure of a material fact may give the insurer the right to cancel the cover. Please contact Risk and Insurance Services if you need advice as to whether something needs to be declared to insurers and/or whether it would constitute a material fact.
- 2.9 Should a school request delegation of the insurance budget then they will be required to provide evidence of an insurance programme that is comparable to the cover provided under the council's corporate insurance programme.
- 2.10 Any insurance programme arranged by a school must also include appropriate wording or clauses such that it provides a full indemnity to the council in respect of any claims received. The school will be required to assume full responsibility for all claims that may arise irrespective of the circumstances and/or amount claimed. Schools would therefore be expected to obtain independent professional advice on the type or scope of cover required.
- 2.11 It should be noted that an alternative scheme to insurance is available via the Department for Education (DfE). The **Risk Protection Arrangement (RPA)** is not an insurance scheme but is a mechanism through which the cost of risks are covered by government funds. Full details of the RPA Rules (cover) including the pricing and scheme details can be found on the RPA website: <https://www.gov.uk/guidance/the-risk-protection-arrangement-rpa-for-schools> Please however note the following:
- The RPA is not an insurance scheme but is a mechanism through which the cost of risks are covered by government funds noting that an insurance policy is a legally enforceable contract; under a risk transfer mechanism, payments are discretionary.
  - The core offering does not include cover in respect of 'Motor - School Minibus' nor 'Statutory plant inspection services - Engineering Inspection'. In addition, the 'Construction Work at Existing premises - Contract Works' cover provided under the RPA scheme is limited to £250k.
  - Any questions regarding the scope of cover or operation of the RPA scheme will need to be referred directly to the DfE.
  - Any school choosing to opt into the RPA scheme will be required to manage their own insurance queries, risk management requirements and claims directly with the RPA.
  - As with any funded arrangement, the price may vary from year to year.
- 2.12 Any school intending to opt into the RPA Scheme, or otherwise arrange its own insurance programme must, by no later than **31st January 2024**, confirm their intentions and, if requested, submit full details of the proposed alternative insurance arrangements to Risk and Insurance Services.
- 2.13 The council reserves the right to continue to arrange cover and charge a school for insurance under the council's corporate insurance programme if satisfactory

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evidence of alternative cover is not provided in sufficient time and/or it is considered that the alternative arrangements proposed by a school are inadequate in any way.

- 2.14 Should a school transfer to academy status during the period of this SLA then cover provided by the SLA will cease from the date of transfer and the Schools Finance Team will provide a premium rebate on a pro rata basis.

### **3. Service Contacts and Performance Review**

- 3.1 The key service contact is:

**Peter Rogers, Risk and Insurance Manager**

Tel: 023 8083 2835

E-mail: [peter.rogers@southampton.gov.uk](mailto:peter.rogers@southampton.gov.uk)

- 3.2 In addition, any general insurance, risk and claims related enquiries or other comment relating to service may be sent to the following mailbox:  
[insurance@southampton.gov.uk](mailto:insurance@southampton.gov.uk)