

# INSURANCE & RISK MANAGEMENT SERVICE LEVEL AGREEMENT

## Package A

### Liability 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 2.12 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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## A. SERVICE SPECIFICATION - Liability Insurances

### 1. Introduction

- 1.1 This Service Level Agreement (SLA) describes the service available from the council's Risk and Insurance Services to schools and should be read in conjunction with the **SERVICE SPECIFICATION (Package B - Material Damage, Money, Motor, Travel & Engineering)**.
- 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 insurance and risk 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 useful and 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 school 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 a comprehensive and supportive insurance claims handling service in respect of responding to and handling claims for compensation made against the school/council by third parties or employees arising from loss, injury or damage where it is alleged that the school is at fault;
  - 1.3.6 Co-ordination of the insurance claims investigation process on behalf of the school including managing communications with claims handlers, insurers, solicitors and other internal service areas on behalf of the school.
  - 1.3.7 Where necessary, arranging for the appointment of external legal representation for the school in the event that legal proceedings have been issued by a claimant. The cost of any such legal representation that may be required is provided at no additional cost.
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- 1.3.8 Provision of an appropriate and cost effective insurance programme developed in consultation with the council’s externally appointed Insurance Brokers;
- 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**, **noting that there is no facility for schools to select individual elements of the package.**
- 2.2 Liability policies are primarily intended to provide protection to the insured (the school) in the event it becomes legally liable to pay damages, costs or expenses to a claimant. The terms and conditions relating to liability policies are complex and varied and it is recommended that specific queries regarding cover are made to the Risk and Insurance Services section (see service contact details in paragraph 3).
- 2.3 In respect of the cover that is able to be provided, schools benefit from both economies of scale and spread of risk as the cover forms part of the council’s wider corporate insurance portfolio. This enables a significant limit of indemnity (£50m) to be provided with no policy excess payable from school funds.
- 2.4 Please however note the following in respect of Voluntary Aided (“VA”) / Trust schools:
- The cover outlined in Table 1 reflects the Council’s responsibility as employer noting that separate arrangements are in place in respect of VA / Trust schools where the Governing Body / Trustees are the employers of the staff and are therefore legally required to have their own Employers Liability cover in place.
  - VA / Trust schools are provided with their own individual Employers Liability Certificates on an annual basis. With regard to VA Schools, the cover applies in respect of the normal educational activities of the school and therefore the Diocese, or equivalent, would be expected to arrange cover in respect of any non-educational (parish related) activities.
  - A similar position applies in respect of Public Liability insurance whereby, in respect of a VA school, the Diocese, or equivalent, would be expected to arrange cover in respect of any non-educational (i.e. parish related) activities.
- 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>Notes and observations</b>
<b>Employers Liability</b>	Zurich Municipal	All sums that may become legally liable to pay (including claimant costs and expenses) following death, injury or disease sustained by Employees and arising out of and in the course of their employment by the school.	<b>Limit of Indemnity £50m</b> <b>Excess - £ nil</b> See comments in 2.5
<b>Third Party Public Liability</b>	Zurich Municipal	All sums that may become legally liable to pay (including claimant costs and expenses) arising from claims against the school or its staff by third parties in respect of accidental personal injury (including failure to educate) or property damage. Third parties include the public, visitors, parents or pupils.	<b>Limit of Indemnity £50m</b> <b>Excess - £ nil</b> See comments in 2.5
<b>Libel and Slander</b>	Zurich Municipal	Cover for all employees and governors should they be accused of libel (a published document) or slander (oral utterance) during the course of their duties, providing such libel or slander was accidental and not intentional or malicious.	<b>Limit of Indemnity £250k</b> <b>Excess - £ nil</b>
<b>Officials' Indemnity</b>	Zurich Municipal	Damages payable to third parties for financial loss arising from errors or omissions by employees and governors in providing services.	<b>Limit of Indemnity £5m</b> <b>Excess - £ nil</b>
<b>Governors' Liability</b>	Zurich Municipal	Included under Officials Indemnity	<b>Limit of Indemnity £5m</b> <b>Excess - £ nil</b>
<b>Professional Negligence</b>	Zurich Municipal	Liability arising from a breach of professional duty where consultancy type advice or services are provided, via a contract, to an external party [Note: Cover is provided on request. Details of the type of professional or consultancy type advice should be provided]	<b>Limit of Indemnity £5m</b> <b>Excess - £ nil</b>
<b>Fidelity Guarantee - Employee dishonesty</b>	Zurich Municipal	Cover for the loss of money or other property as a result of fraud or dishonesty by member of staff including computer fraud and funds transfer fraud, and forgery and counterfeiting.	<b>Limit of Indemnity £5m</b> <b>Excess - £ nil</b>

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- 2.9 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.
- 2.10 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.
- 2.11 Any insurance programme arranged by a school must 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 advice on the type and scope of cover required.
- 2.12 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.
  - 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.
- 2.13 Any school intending to opt into the RPA Scheme, or otherwise arrange its own insurance programme must, by no later than **31<sup>st</sup> January 2024**, confirm their intentions and, if requested, submit full details of the proposed alternative insurance arrangements to Risk and Insurance Services.
- 2.14 The Council reserves the right to continue to arrange cover and charge a school for insurance under the council’s Insurance SLAs if satisfactory evidence of the alternative cover is not provided and/or it is deemed that the alternative insurance arrangements proposed by a school are inadequate.
- 2.15 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.

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### 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)