

**Appendix 4.17 STANDARD SPECIAL CONDITIONS OF EMPLOYMENT :
PROFESSIONAL INDEMNITY INSURANCE**

SCE () Professional Indemnity Insurance

General Conditions of Employment Clause 47 is deleted and replaced by the following:

- (1) Without limiting their obligations and responsibilities nor their liability to indemnify the Employer under Clause 22, the Consultants shall effect and maintain with well established insurers of repute, professional indemnity insurance for a minimum amount [] in respect of their obligations in relation to the Services or any part thereof, for any one occurrence or series of occurrences arising out of any one event, or each and every claim, from the date of commencement of this Agreement until [] years from the date of notification of completion in writing issued by the Director's Representative (hereinafter referred to in this Clause as the "requisite period"). The professional indemnity insurance shall be effected with an insurer or insurers acceptable to the Employer. The Consultants shall immediately inform the Employer in writing if such insurance ceases to be available at reasonable commercial rates or otherwise is not maintained in accordance with this Clause or for any reason becomes void or unenforceable.
- (2) If the insurance policy is project specific, the maximum deductible/excess allowed under the policy shall not exceed 20% of the minimum amount required under sub-clause (1) of this Clause.
- (3) (a) If (i) the insurance policy contains a limit of indemnity in the aggregate for all claims for the period of insurance under the insurance policy, and (ii) the period of insurance under the insurance policy is twelve months or less, then either:
 - (A) the limit of indemnity in the aggregate for all claims for the period of insurance under the insurance policy shall be reinstated in full upon exhaustion of the limit of indemnity by reason of indemnity payments made on account of any claim, loss, damage, liability, cost or expense paid or payable under the insurance policy until the total amount of indemnity payable by the insurer under the insurance policy reaches 2 times the minimum amount required under sub-clause (1) of this Clause; or
 - (B) the limit of indemnity in the aggregate for all claims for the period of insurance under the insurance policy shall not be less than 2 times the minimum amount required under sub-clause (1) of this Clause; or
 - (C) the limit of indemnity for any one occurrence or series of occurrences arising out of any one event, or each and every claim

under the insurance policy shall not be less than 2 times the minimum amount required under sub-clause (1) of this Clause.

- (b) If (i) the insurance policy contains a limit of indemnity in the aggregate for all claims for the period of insurance under the insurance policy, and (ii) the period of insurance under the insurance policy exceeds twelve months, then either:
 - (A) the limit of indemnity in the aggregate for all claims for the period of insurance under the insurance policy shall be reinstated in full upon exhaustion of the limit of indemnity by reason of indemnity payments made on account of any claim, loss, damage, liability, cost or expense paid or payable under the insurance policy until the total amount of indemnity payable by the insurer under the insurance policy reaches 3 times the minimum amount required under sub-clause (1) this Clause; or
 - (B) the limit of indemnity in the aggregate for all claims for the period of insurance under the insurance policy shall not be less than 3 times the minimum amount required under sub-clause (1) of this Clause; or
 - (C) the limit of indemnity for any one occurrence or series of occurrences arising out of any one event, or each and every claim under the insurance policy shall not be less than 3 times the minimum amount required under sub-clause (1) of this Clause.
- (4) The Consultants shall provide to the Employer within 60 days from the date of commencement of this Agreement and thereafter, in the case where the insurance policy does not cover the entire requisite period, within 7 days of professional indemnity insurance being effected upon the expiry of the earlier insurance policy:
 - (i) an undertaking that the current insurance policy complies with the terms in this Clause in Form [] in Appendix [] to these General Conditions of Employment; and
 - (ii) a certified copy of the full insurance policy for the approval of the Employer unless the Consultants can demonstrate to the satisfaction of the Employer that it is not reasonably practicable to provide a certified copy of the full insurance policy in which event the Consultants shall provide a certificate in Form [] in Appendix [] to these General Conditions of Employment issued by the insurer or insurance broker of the insurance policy and any information relating to the insurance policy that the Employer may reasonably require.
- (5) If the Consultants shall fail upon request to produce to the Employer satisfactory evidence that there is in force professional indemnity insurance required under this Clause, the Employer may effect and keep in force any such insurance and

pay such premium as may be necessary for that purpose. The Employer shall be entitled to deduct such premium, together with expenses incurred, in accordance with the provisions of Special Conditions of Employment Clause []¹ and/or to recover such amount as a debt due from the Consultants.

- (6) In determining the period of insurance under an insurance policy for the purpose of this Clause, any extension or renewal of the insurance policy shall be treated as a separate insurance policy and shall not have the effect of extending the period of insurance.

¹ Insert the number of the following Special Condition of Employment relating to setting off money due to the Government from defaulting Consultants promulgated in SETW's memo of 2 June 2003, ref. (59) in ETWB(PS) 106/11 Pt 19:

“SCE []

- (1) All damages, losses, costs, expenses, debts or sums for which the Consultants are liable to the Employer under any provision of this Agreement may be deducted by the Employer from monies due to the Consultants under this Agreement and the Employer shall have the power to recover any balance not so deducted from monies due to the Consultants under any other Government consultancy agreement between the Employer and the Consultants.
- (2) All damages, losses, costs, expenses, debts or sums for which the Consultants are liable to the Employer under any provision of any other Government consultancy agreement between the Consultants and the Employer may be deducted by the Employer from monies due to the Consultants under this Agreement.”