



Crown
Commercial
Service

Insurance Services II

Customer user guidance

Framework agreement (RM3731)



Framework Duration

Start date: 01/03/2016

End date: 28/02/2018

Option to extend for additional 2 years up to 29/02/2020

Customers can enter into a long term agreement beyond the expiry of the framework.

Value

OJEU Value set at £370,000,000

Eligible Customers

Available to all public sector bodies including:

- Central Government
- Wider public sector
- Education establishments
- Emergency services and Blue Light
- Health organisations
- Social housing
- Charities and many more

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Background

Following the success of the Insurance Services framework RM958, that won the 'Best Public Procurement' category at the CIPS Award 2014 and received "highly recommended" in the GO Excellence in Public Procurement Awards 14/15, the collaborative partners: Crown Commercial Service (CCS) and other Public Sector Buying Organisations (PSBO) made decision to join forces and work together on the 2nd generation Insurance Services II framework, RM3731.

The aim of the collaborative partners was to improve the 2nd generation insurance framework, make it more flexible, more user friendly and most importantly fit for purpose. The new agreement provides customers with an expanded scope and expanded supply base, added categories of risk and streamlined supporting documents. The procurement process will be easier and quicker for both buyers and suppliers.

To better understand requirements from both sectors, the insurance market and public sector market, the stakeholder engagement process was split into 2 groups:

Supplier Engagement

The leading organisation on the supplier engagement was CCS. The objective was to increase awareness of the advantages that the Insurance Services framework brings to suppliers as a national vehicle to procure insurance services as well as to gain an interest from a wider supply base.

Customer Engagement

PSBO's lead the customer engagement on the new framework. The objective was to gather customer feedback on the advantages and disadvantages of the previous insurance framework as well as gaining a better understanding on the customers' needs and the way different public sector bodies procure insurance services.

In total over 100 customers that represented the voice of different public sector groups such as local authorities, blue light, health sector, higher education and many others were engaged with. The collaborative partners also engaged and gained an interest from organisations such as: ALARM (Public Risk Management Associations) BIBA (British Insurance Brokers Association), ABI (Association of British Insurers) and NHA (National Housing Association).

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Benefits of using the framework

- Increased competition and capacity achieved by fit for purpose supply base. The new solution provides customers with an access to refreshed supply base with new insurers and brokers on board.
- Improved and expanded specification including new categories of risk such as cyber risk, suretyship.
- Quick and easy access to brokerage services. Customers can directly award a broker as the qualifying criteria have been evaluated and pricing element established.
- Loss avoidance. The brokerage fee has been capped at 3.5% and some brokers has made the decision to go lower than this.
- Access to Risk Profile template which insurers require when assessing a requirement, identifying risk and calculating the price. The template has been developed in partnership with the insurance industry and public sector customers.
- Access to free seminars, market intelligence days and webinars. Sharing best practice and knowledge is crucial to us and our customers. Subjects covered at the events will be driven by customer requirement and suppliers expertise.

Set of Customer Documents

Customers who wish to fully utilise the framework agreement and understand the access models and steps to take to procure via this framework should in the first instance read this Customer User Guide.

Customers should complete the NDA (Non-disclosure agreement) [here](#) to access a range of information needed to call off the framework such as suppliers details, classes of insurance and additional services each insurer and broker offer complete with broker pricing.

- Full specification
- Supplier matrix
- FAQ

Supporting documents

Set of supporting documents have been developed which support customers in the procurement call-off processes.

- Risk profile template
- Further competition template
- Letter of appointment lot 1
- Letter of appointment lot 2

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Scope

Through the framework, customers can procure a wide range of insurance and insurance brokerage including, but not limited to:

Liability Insurance

- Airport concessionaires
- Airside liability
- Aviation liability
- Clinical Trials
- Clinical negligence
- Cyber
- Directors and officers liability
- Employers liability
- Employment practice
- Employment practice liability
- Environmental liability
- Environmental warranty
- Errors and omissions (statutory duties)
- Excess of loss liability
- Financial loss
- Land charges
- Libel and slander
- Marine liability
- Non-negligent liability
- Nuclear / radiation
- Occupiers / rented premises liability
- Officials indemnity
- Pension trustees indemnity
- Pollution clean-up costs (bartoline and European liability directive)
- Products liability
- Professional indemnity (external services)
- Property owners liability
- Public liability
- Rail Operators
- Sudden and accidental pollution liability
- Trustees indemnity

Travel & Personal Accident Insurance

- Bonds
- Business travel
- Contingency
- Crash team personal accident
- Group personal accident
- Personal accident
- Pilots loss of licence
- Restrictive/defective title
- School journey travel
- Special contingency
- Supply teacher

Motor Insurance

- Comprehensive
- Funded
- Legal expenses
- Motor credit guarantee
- Third party
- Third party fire and theft

Property & Construction Insurance

- Aviation hull
- Balance of risks
- Boiler explosion
- Business interruption additional increased costs
- Business interruption gross profit
- Business interruption gross rent
- Business interruption gross revenue
- Business interruption increased costs
- Computer
- Contract works – new build
- Contract works – refurbishment
- Delay in Start up
- Deterioration of stock
- Engineering all risks
- Engineering business interruption
- Engineering inspection
- Exhibition goods
- Fidelity
- Fine art
- Fragmentation
- Glass
- Goods in transit
- Hired In plant
- Latent defects
- Leasehold / right to buy housing contents
- Livestock
- Machinery movement
- Marine Hull
- Marine transit / cargo
- Material damage (buildings / tenants improvements/ contents / stock) specified perils
- Material damage all risks
- Money
- Museum artefacts
- Own surrounding property
- Software and data
- Tenants home contents
- Terrorism
- Testing and commissioning
- Theft

Other

- Builders' risks cover
- Bunkers
- Comprehensive general liability - mobile offshore units
- Comprehensive general liability offshore
- Chancel indemnity
- Charterers loss of use
- Commercial Legal Expenses
- Comprehensive carrier's liability
- Comprehensive charterer's liability
- Credit
- Crew
- Diver's professional indemnity
- Events
- Event cancellation
- Extended Loss of Hire cover
- Film Production
- Loss of hire
- Marina installation
- Mortgage interest
- Non owned aviation
- Piracy
- Political risks
- Product recall
- Product guarantee
- Sensitive risks
- Solicitors professional indemnity
- Suretyship
- Total loss of freight interest
- Total loss of hull interest
- War risks cover

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Suppliers

In total there are 26 insurers and 12 brokers.

The supplier matrix is a live document that provides customers with detailed information on the framework suppliers, including:

- What classes of insurance/insurance brokerage each supplier will offer under the framework agreement;
- What additional services each supplier will offer under the framework agreement;
- Broker pricing
- Supplier details including Financial Conduct Authority (FCA) number, contact details and company number.

The supplier matrix is a tool that helps customers to pre-select the group of suppliers that are then invited to participate in a further competition. Customers will only need to invite suppliers that can meet their full requirements.

Customers must access the supplier matrix before issuing their further competition documentation. To access the supplier matrix, customers will need to complete the NDA form by completing the online NDA form, which can be found [here](#).

Please note: Before conducting further completion or direct award customers must ensure that they have access to the latest version of supplier matrix. This is a live document and is being constantly updated with new information and new contact details.

Lot 1 Insurance and associated services

- ACE European Group
- Ageas Insurance Ltd
- AIG Europe Limite
- Allianz Insurance PLC
- Amlin UK Ltd
- Aon UK Limited - Maven Public Sector
- Aspen Insurance UK Ltd
- Asta Managging Agency Ltd on behalf of Axis Syndicate 1686
- AXA Art Insurance Limited
- AXA Insurance UK PLC
- Beazley Furlonge Limited
- CNA Insurance Company Limited
- Ecclesiastical Insurance Office
- Hardy (Underwriting Agencies) Limited
- JLT Specialty Ltd
- Mitsui Sumitomo Insurance Underwriting at Lloyds Ltd
- Motor Accident Protection Services Ltd
- Protector Forsikring ASA
- QBE Insurance Ltd
- Risk Management Partners Ltd
- Royal & Sun Alliance Insurance plc
- Swiss RE International SE SCT RPN
- Togethersure Limited
- Tokio Marine Kiln Insurance Co Ltd
- Travelers Insurance Company Limited
- Zurich Insurance Group

Lot 2 Insurance brokerage and associated services

- Aon UK Limited
- Arthur J. Gallagher Insurance Brokers Ltd
- Brian Johnston & Co (Insurance Brokers) Ltd
- GMG Risk Strategies Limited
- Griffiths & Armour
- Henderson Insurance Brokers Ltd
- JLT Specialty Ltd
- Lockton Companies LLP
- Lucas Fettes & Partners
- Marsh Ltd
- Portmore Insurance Brokers Ltd
- Willis Ltd

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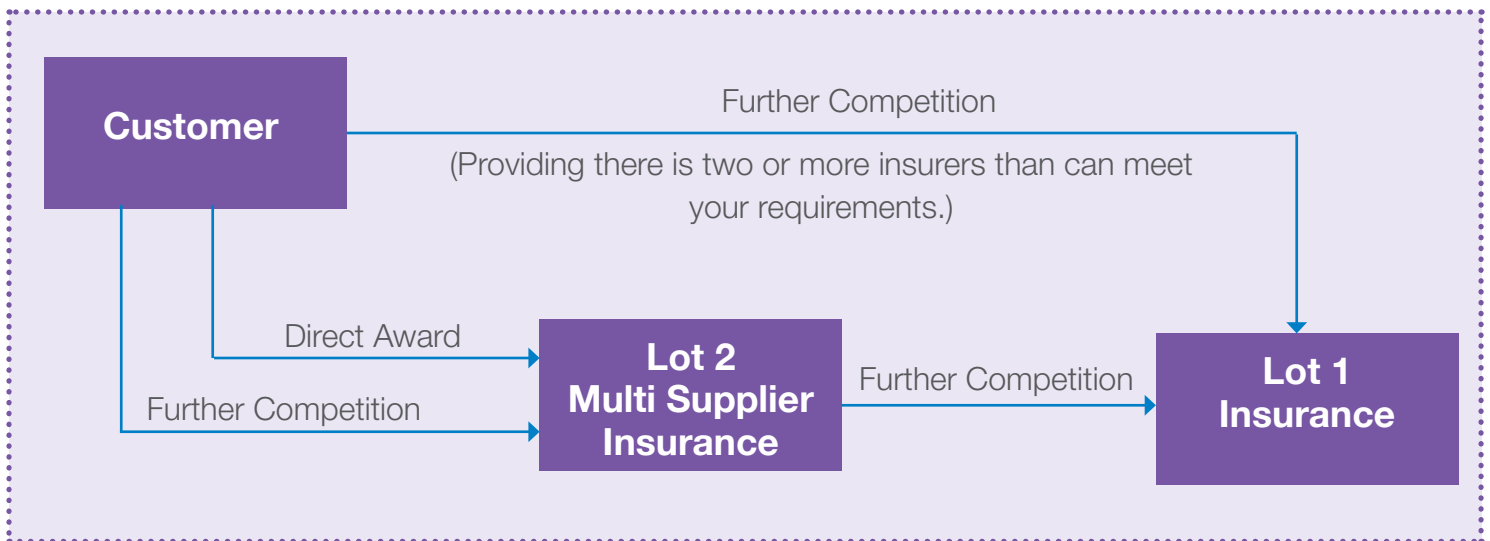
Lot Structure

Before accessing the framework customers should undertake the following steps:

Determine the requirement (this can be for insurance, insurance brokerage services, a number of support services associated with the insurance market, or any combination of the above); and

Determine the best route for your procurement, and action this in line with the parameters outlined in this user guide.

This framework can be accessed in a number of different ways, based on different factors including customer requirements, customer size, customer drivers and targets, customer market knowledge, and customer preference. The diagram below outlines how customers can access the framework agreement. For further detailed information please go to each lot overview.



Long term agreements

The framework agreement allows for contracting authorities to enter into long term call off arrangements. Call off arrangements let during the lifetime of the framework can run after expiry. Although the framework is written in a way that allows unlimited duration of call off agreements, as a matter of good practice it is recommended that any call off ends two years after the expiry of the framework.

The long term agreement (LTA) with the broker and the insurer are two separate contracts. We would recommend that these run in parallel as upon expiry of the framework, brokers will not be able to access insurers on lot 1.

Lot 1: Insurance and Associated Services

Lot 1 covers the provision of insurance services (provided or procured) which includes a range of property and construction, liability, motor and travel and personal accident insurance. This is a multi-supplier lot with 26 suppliers.

All insurer details are on the supplier matrix, which outlines which classes of insurance and support services they will offer under the framework. You can access the supplier matrix by filling in the NDA [here](#).

Customers can procure their insurance by further competition only via this lot.

Of the 26 insurers on this lot only 3 have the ability to deal directly with the customer therefore competition is severely restricted as at least two insurers have to be able meet a customer's requirements. It is strongly recommended that customers appoint a broker via lot 2 to be able to carry out a further competition on lot 1 and show value for money.

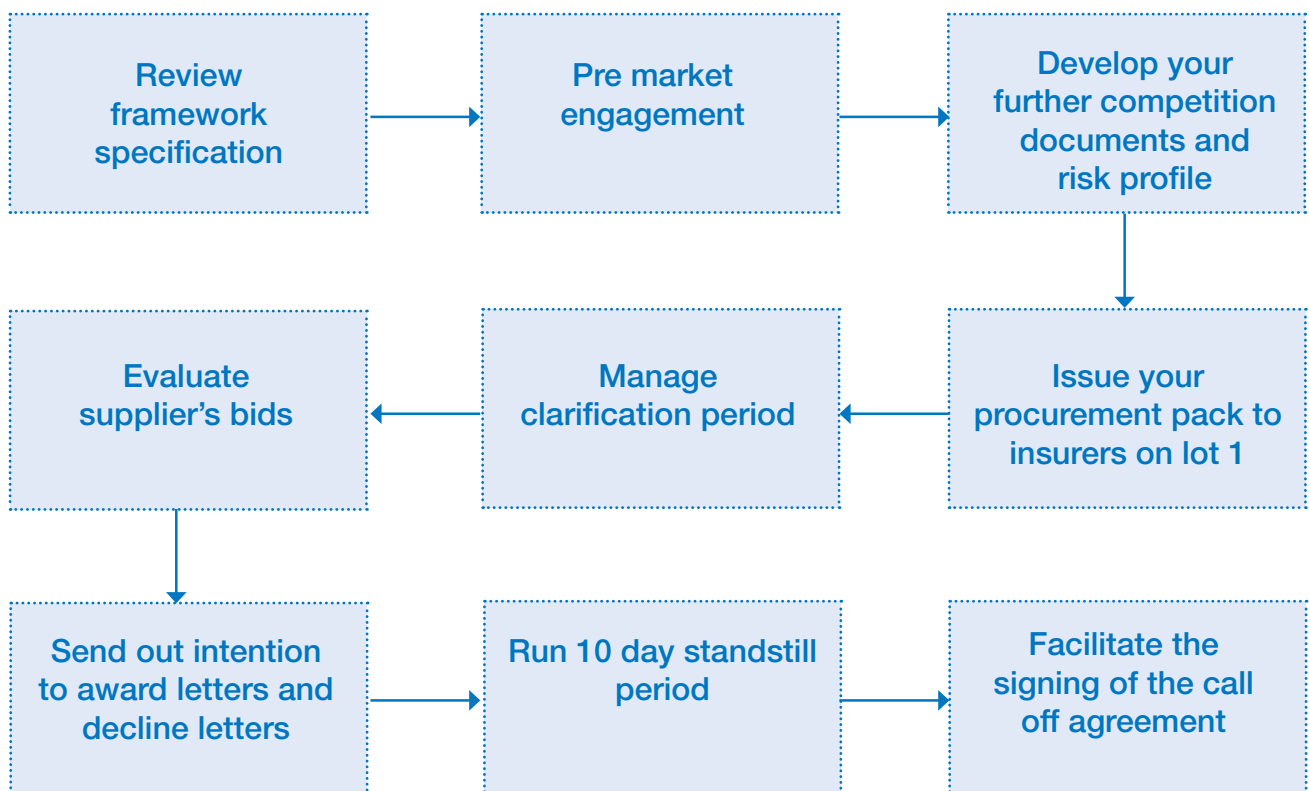
Access Lot 1 via further competition

In order to run a further competition customers must provide the insurers with a completed Risk Profile as a minimum (see annex C). The Risk Profile has been developed and agreed with the insurers and brokers. It contains a minimum information dataset that insurers require to assess a customer's requirements and to identify the risk involved that goes towards the effective calculation of the price. Customers are advised to provide as detailed and accurate information as possible. This should ensure a level playing field through the actual procurement period, and provide all suppliers with the same information. As each risk and policy is different, insurers may ask for further information.

As a minimum customers should give insurers 20 working days to turn a quotation around. For more specialist pieces of insurance and at peak times during the year this time may need to be extended.

Please note that insurers can decline to quote if they wish.

Further Competition Process



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Award Criteria - Lot 1 Insurance

When running a further competition, customers should award on the basis of the most economically advantageous tender and must provide suppliers with the methodology behind the evaluation, including the evaluation criteria and the weightings that are applied to each criterion.

Terms and conditions

The Policy wording agreed prior to award of the contract will form the terms and conditions between the insurer and the customer. To support customers a small list of terms and conditions cover Freedom of Information (FOI), the official Secrets Act and other mandatory clauses have been included in the lot 1 letter of appointment, which must be used when completing a call off agreement from lot 1.

Pricing

Pricing under lot 1 has not been identified as customers will have to provide information on their specific requirements in order for insurers to accurately assess the risk and provide a policy quote.

The following weightings criteria should be applied for lot 1.

Lot 1 – Insurance	
	Percentage range
Price	10% - 70%
Quality	30% - 90%

Access Lot 1 via a broker

If customers require support in developing the risk template, this can be procured through the use of a broker via lot 2. One of the advantages of utilising the broker is that broker can be used to manage the full call off of insurance, or to provide one or more of the support services.

For information on how to access lot 1 via a broker please go to the next section of the user guide.

Lot 2: Insurance brokerage and associated services

Lot 2 covers the provision of insurance brokerage and number of support services which include placing of and advice on a range of insurance policies including but not limited to: property and construction, liability, motor, travel and personal accident insurance. This a multi supplier lot with 12 suppliers.

Each broker has provided details for the supplier matrix, which outlines which classes of insurance and support services they will offer under this framework.

The broker will perform its services in accordance with your agreed specification and will on your behalf undertake a further competition in order to obtain an insurance policy from insurers awarded onto lot 1 of the framework agreement. The process will be fully managed by the broker who will provide you with a recommendation. The direct customer dealing insurers under lot 1 can also be accessed. You will need to discuss with your broker the best approach.

The broker, using its market expertise, will work with you to develop your risk profile and template, further competition documentation including advice on timescales.

Once a broker has been awarded you must complete the lot 2 letter of appointment and call off agreement. Please ensure this is signed by both parties. To satisfy FCA regulations the broker may attach their standard terms of business. The Framework Agreement and Call Off agreement terms and conditions will take precedent over these standard terms of business where there is a potential clash. Any other terms and conditions can be declined.

Lot 2 can be access in two ways: by direct award or by a further competition.

Access to lot 2 via direct award

A Contracting Authority may only award a call-off agreement for services under Lot 2 via direct award if:

- The anticipated call-off agreement charges do not exceed £10 000 per annum
- The Contracting Authority does not consider the services that are subject of call-off agreement as complex
- The call-off terms and conditions does not require any amendments or any supplementary terms and conditions; if yes a further competition needs to be undertaken
- The Contracting Authority is content with the pricing element of the direct award. Both fees and ISB % should be taken into account when looking at the pricing element of the direct award.

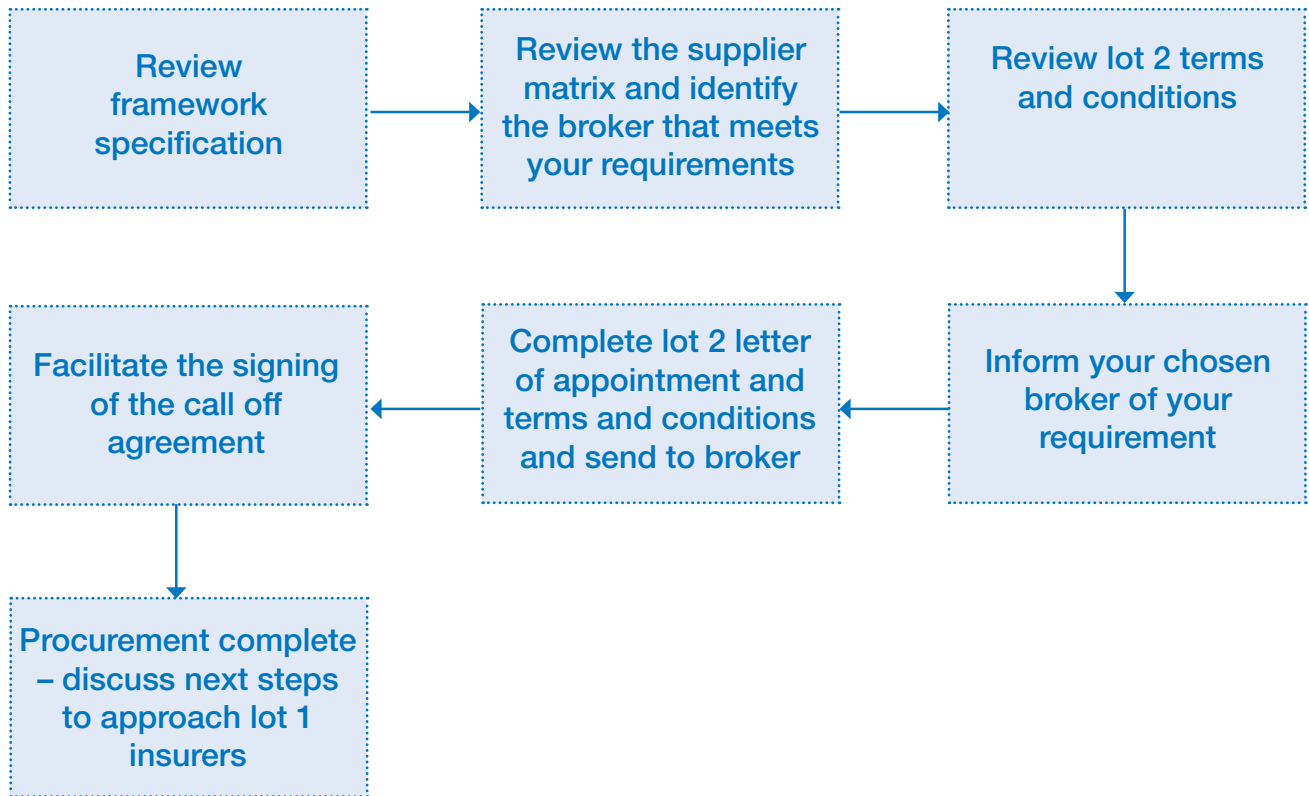
Direct award to a provider is at the choice of the Contracting Authority, the providers are not ranked within the framework

To determine whether the direct award is the best option the customers should carry out a cost benefit analysis of both fees and ISB %.

Advantages of Direct Award include:

- Contracts may be entered into more quickly as qualifying criteria has been evaluated
- No need to re-engage the market and subsequently evaluate suppliers again.
- A specification doesn't need to be written; the core output specification can be used
- Pricing has been established at framework level
- Cost avoidance as the brokerage fee has been capped at 3.5% with some brokers having made the decision to lower this percentage even further.
- LTA can be entered into.

Direct award process



Terms and conditions

Terms and conditions for lot 2 have been designed to meet the specific requirements of an insurance brokerage call off. They include standard clauses that all brokers have agreed to. These can be found with the lot 2 letter of appointment, and must be utilised for this framework agreement. The text highlighted in yellow and in square brackets needs to be considered and filled in by the customer.

If the customer needs to amend or refine the call off terms to reflect its service then a further competition has to be undertaken.

To satisfy FCA regulations the broker may attach their standard terms of business. The Framework Agreement and Call Off agreement terms and conditions will take precedent over these standard terms of business where there is a potential clash. Any other terms and conditions can be declined.

Pricing

Pricing under lot 2 have been established and are available however the pricing information is only a baseline and customers that run a further competition will obtain prices specific to their requirement. The pricing has been established as a daily blended rate with ISB capped at 3.5%.

The pricing for this framework is considered to be commercially sensitive and could well prejudice the commercial interest of the suppliers involved if the information were to be made publicly available. Customers are asked to sign an [NDA](#). Following submission of the signed NDA the supplier pricing information will be sent to each customer

Access to Lot 2 via further competition

Customers may decide to conduct a further competition if:

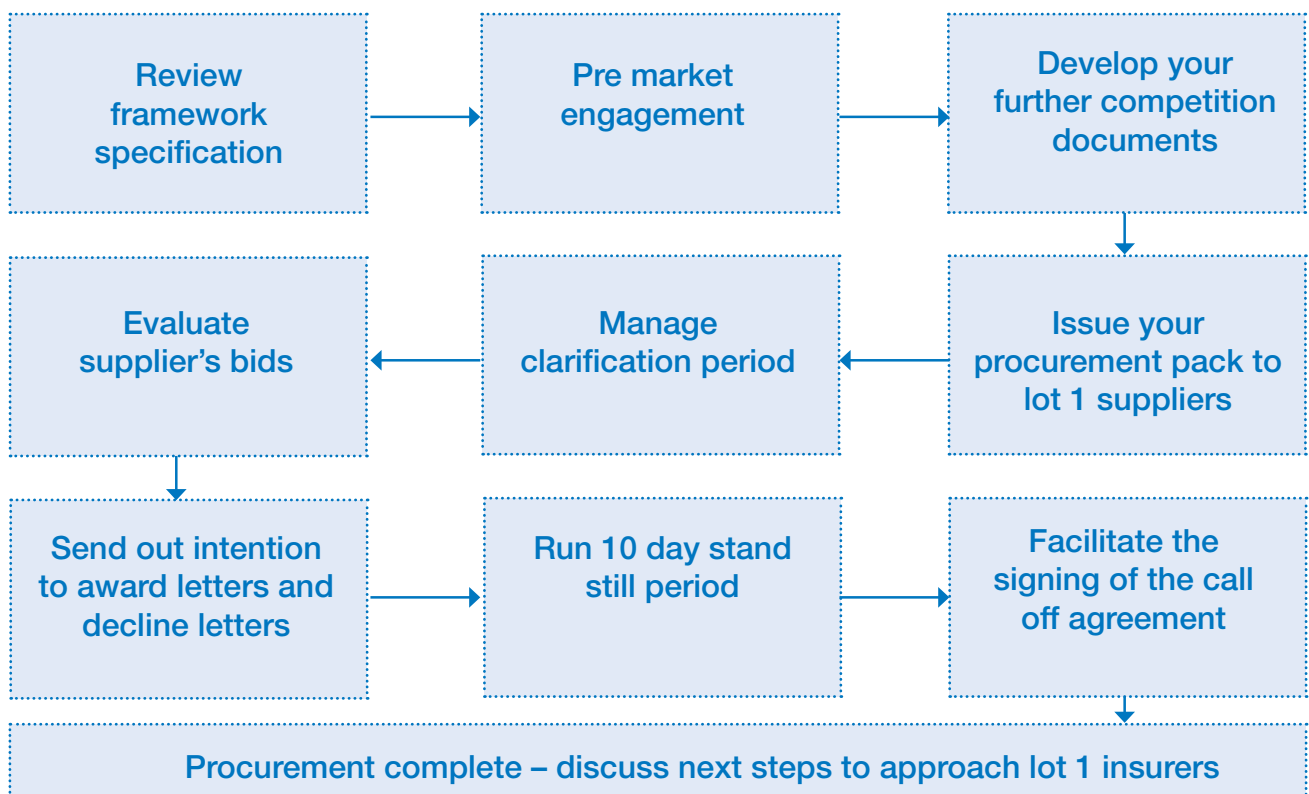
- The data in the supplier matrix is not considered enough for the customer to demonstrate best value.
- The customer requires brokers on Lot 2 to assess their requirement(s) and propose a price based on this.
- The customer requires the broker to develop proposals or a solution in respect of their service requirements
- The customer needs to amend or refine the call off terms to reflect its service requirements

When running a further competition under this framework, you must invite all brokers that have stated they are capable of delivering the type of insurance brokerage or support service required under the framework agreement. This helps to ensure transparency and fairness in the further competition process.

Advantages of Further Competitions include:

- Customers can add to the core specification if they have varying requirements.
- Supplementary terms and conditions can be added.
- Only need to evaluate suppliers on their service delivery and price – qualifying criteria has already been evaluated.
- Pricing is usually the key factor in determining best value for money. Tendered prices at framework level are available for customers to compare against your requirement via the supplier matrix. Prices are routinely lowered at further competition stage.

Further Competition Process



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Award Criteria - Lot 2 Insurance brokerage and associated services

When running a further competition, customers should award on the basis of the most economically advantageous tender and must provide suppliers with the methodology behind the evaluation, including the evaluation criteria and the weightings that are applied to each criterion.

Terms and conditions

Terms and conditions for lot 2 have been designed to meet the specific requirements of an insurance brokerage call off. They include standard clauses that all brokers have agreed to. These can be found with the lot 2 letter of appointment, and must be utilised for this framework agreement. The text highlighted in yellow and in square brackets needs to be considered and filled in by the customer. The customer has got a right at the further competition stage to amend or refine the call off terms to reflect its particular circumstances.

To satisfy FCA regulations the broker may attach their standard terms of business. The Framework Agreement and Call Off agreement terms and conditions will take precedent over these standard terms of business where there is a potential clash. Any other terms and conditions can be declined.

The following weightings criteria should be applied for lot 2.

Lot 1 – Insurance brokerage and associated services	
	Percentage range
Price	10% - 70%
Quality	30% - 90%

Pricing

Pricing will be established at further competition stage based on your requirements. Tendered prices at framework level are available for you to compare against your requirements. Prices are routinely lowered at further competition stage.

There is only one supplier on the framework that has stated they intend to deal with customers only (i.e. without the use of a broker). If using a broker, customers can still access this insurer, and will simply need to agree the approach with your selected broker and the direct dealing insurer. This is to be done before the further competition is issued. In some circumstances the customer may need to issue the further competition documentation to the direct dealing insurer and the supplier response may need to be returned to the customer.

As in the direct award option both fees and ISB% should be taken into consideration in overall price evaluations.

Pre-Market Engagement

Pre-market engagement prior to issuing further competition documentation is permitted under the framework agreement and is welcomed by the supply base. It is a useful tool for customers to determine the best procurement route and get help in drafting further competition documents. Industry days, one to one meetings, group meetings and site visits are a good way to pre-engage with suppliers. A good practice is to share with suppliers your timescales (if known) so they can plan resources in advance. When engaging with the market please ensure that you complete this exercise on a fair, open and

transparent basis (i.e. all the opportunity for engagement with all suppliers on the framework, and provide all suppliers with the same information during the pre-market engagement exercise). To engage with the market, you can simply email the suppliers directly using the contact details available on the supplier matrix.

Sub Criteria

Typical examples of sub criteria within price and quality that customers may opt to utilise when drafting their further competition may include (but not limited to):

Broker		Insurer	
Price	Support services	Price	LTA discount
	Travel expenses		Premium amount
	LTA (broker) discount		Support services
	Commission levels		Travel expenses
	Daily rates Hourly rates		Profit sharing linked to loss ratio
	Per product per annum (motor) Fixed rates / project work		Levels of excess/deductibles
			Interest gained from fund (only applicable to funded insurance)
	Interest gained from fund (only applicable to funded insurance)		Payment terms
	Payment terms		
Quality	Innovation	Quality	Policy wording
	On line systems		Innovation / value added services
	Key personnel		On line systems
	Account management and administration		Payment terms
	KPIs		KPIs
	Management information		Management information
	Continuous improvement		Support services
	Enhanced standard documents (risk profile, confirmed claims experience, claims reports)		
	Support services		
	Insurance levels		
	Presentations		

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Timescales

Allowing sufficient time for suppliers to consider and respond to your further competition is imperative. This section provides a suggested timetable for your further competition. Please note these are a guide and should be amended to reflect your requirement.

Some helpful hints are:

During peak times (for example the quarter periods with the main one being April) of the year you may wish to bring forward your further competition process (for example if your insurance is due 1st April you may wish to have concluded your further competition by the end of January) or allow extra time (for example 4-5 weeks for step 4 in the Lot 1 further competition);

For complex placements you may wish to allow extra time for your further competition (4 weeks) to ensure you receive the best response possible.

Step 2 on Lot 2 – this is an optional step and allows you to engage with the market to gauge their initial appetite and to allow the suppliers to provide any comments on your further competition documentation.

Step 3 and 4d – allow sufficient time for bidders to consider your response. Should further clarifications be required on your response you may wish to extend your closing date; and

Step 4 and 5 – it is recommended that you include a standstill period for all further competitions. If doing this, customers should send out an intention to award/decline letter to all suppliers that submitted a tender. These letters should provide a debrief of the scores awarded for each weighted criteria compared to the successful potential providers, and a rationale for each score. The rationale should be objective, and care needs to be taken to ensure that the scores and rationale is in line with your original tender documentation.

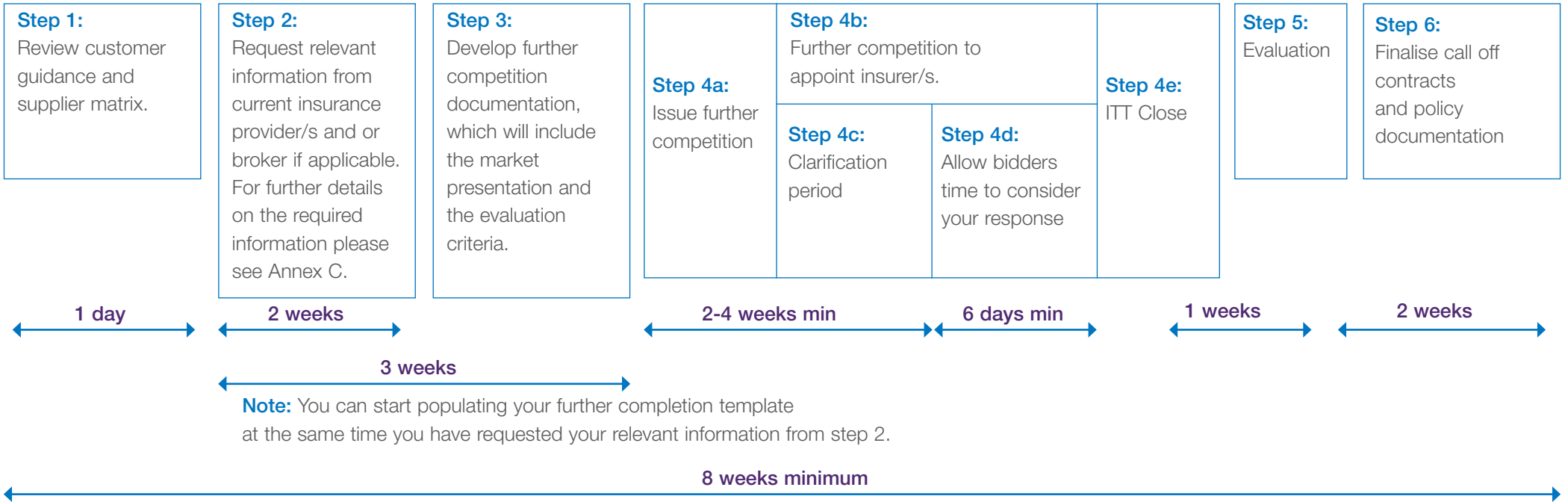
Procurement Tools

Customers are able to utilise:

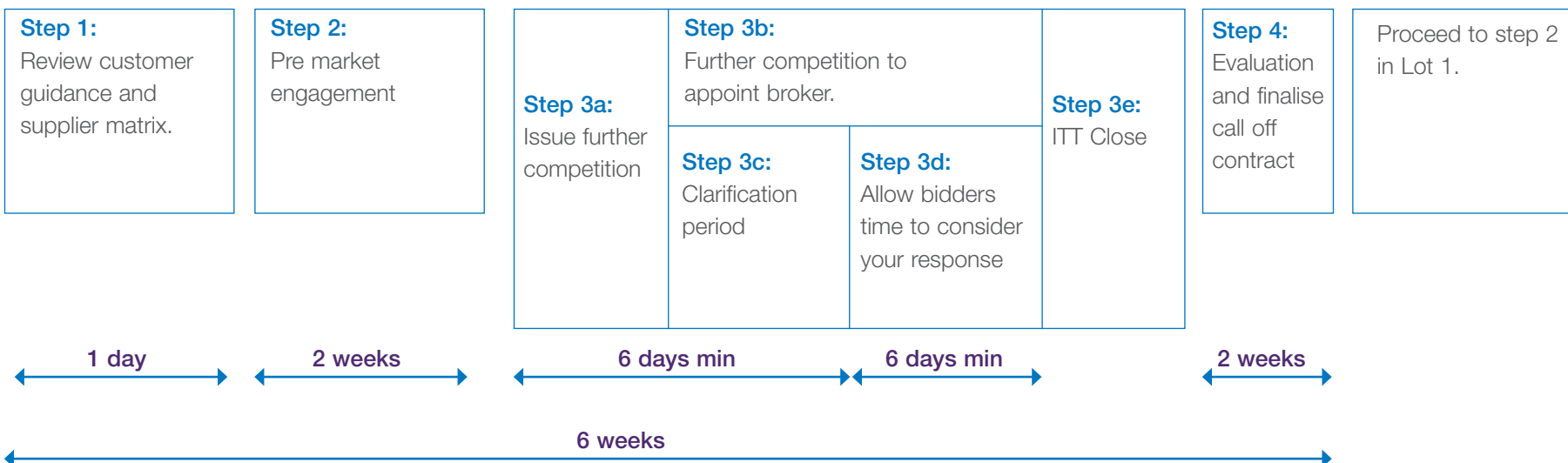
- CCS e-sourcing suite
- Their own e-tendering portals
- Emails

Where customers own e-tendering systems are intended to be used, sufficient time and instructions should be provided for suppliers to join the system.

Lot 1 - further competition



Lot 2 - further competitions



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Helpful Hints

How to get the most from your further competition

Invaluable Suggestions

Get in touch if you need any assistance

Seek internal colleagues buy-in to the process at the very early stages of the project

Make sure you quote the framework agreement reference (RM3731) on your further competition documentation to ensure you obtain the appropriate T&C's.

Only issue your further competition to capable suppliers i.e. they offer the class(es) of insurance that you require. This will ensure you do not waste your own and suppliers time chasing and responding.

- Hold industry day(s) before and/or after the invitation to tender (ITT) has been issued.
- Let the market know your timescales (if known) so they can plan resource.
- Share your draft documents with suppliers as they can help you shape your documents and strategy.

Allow sufficient time for your further competition.

- Two to four weeks as a minimum for bidders to respond.
- Allow extra time at peak renewal periods (quarter dates) or for complex placements.
- Allow a minimum of six days after the clarification period closes before you close the ITT. This will allow suppliers to consider your response(s).
- Our advice is to include a ten day standstill period.

Submit property schedules with full postcodes and any risk data that might be available

Provide as much detail as possible, including details on your claim history and future trends. If your claims history is poor, outline what is being done within the organisation to help limit/reduce this in the future.

Be clear about your insurance requirements.

Provide full risk details – this could include property loss control surveys and up to date sum insured/financial information.

Ask questions relevant to the service you are buying during your further competition.

Make sure you have proof read your documents to identify any errors or omissions before they are issued.

Draw supplier's attention to key information within the documentation to save time.

Make sure the evaluation criteria delivers what you want to achieve.

Ensure you complete a letter of appointment and call-off contract for the lot(s) you use.

Undertake pre-market engagement with the suppliers so they can understand who you are and what you are trying to achieve.

What not to do

Second guess the agreement. If in doubt, please get in touch.

Do what you have done before! Are you able to create an innovative approach by reviewing risk profiles, undertaking pre-market engagement, merging requirements or considering excess/self-insurance?

Leave the contract documentation until the last minute – ensure you have engaged your legal team to review it if required.

Use generic evaluation criteria or copy what others have done. Make them specific to your organisation.


Assume that all your insurance policies need to go through the agreement - you can use the agreement to complement other long term agreements or contracts that you may have.

Let your broker (if using a broker) issue your further competition documents to insurers without you reviewing them first.

Issue your further competition to suppliers who are not able to offer the services you require. For example, if you are tendering for property insurance only issue the documentation to suppliers who offer property insurance.

If you need general advice about using Crown Commercial Service please contact our helpdesk:

 info@crowcommercial.gov.uk

 0345 410 2222

 www.crowcommercial.gov.uk

 [@gov_procurement](https://twitter.com/gov_procurement)

 [Crown Commercial Service](https://www.linkedin.com/company/crown-commercial-service)