



OFFICE OF RAIL REGULATION

General Approval

for third party liability insurance arrangements

1. This general approval applies to operators of railway assets who hold licences, Statements of National Regulatory Provisions (SNRPs), or licence exemptions with an obligation to establish and maintain certain insurance arrangements approved by the Office of Rail Regulation (ORR).
2. The obligation arises under sections 7 and 8 of the Railways Act 1993 (the Act), and regulation 11 of the Railway (Licensing of Railway Undertakings) Regulations 2005 (the Regulations).
3. ORR approves the insurance arrangements of relevant operators to the extent that:
 - a. Total cover, including self-insurance, of not less than £155M per incident is provided in respect of all liabilities to third parties.

Policies are not required to cover:

 - Liabilities covered under other statutory or standard classes of insurance, such as motor insurance or employer's liability insurance; or
 - Liability in respect of damage to goods carried for hire or reward, except as provided for in this general approval or under the provisions of COTIF or other relevant international law.
 - b. Where an aggregate limit of indemnity applies, this limit will be reinstated at least once if the limit is exhausted.
 - c. Any exclusions of damage to property in the care, custody and control of the operator shall not apply to accompanied personal luggage.
 - d. Cover is on an 'occurrence' basis.
 - e. Cover is on a 'costs exclusive' basis.
 - f. The operator shall include as an insured any other party, to the extent that that party is required to be insured or indemnified in any underlying contract or agreement with the operator.
 - g. The operator will provide cover for any difference between its contractors' or sub-contractors' cover and that required by this general approval.

- h. The operator has a reasonable expectation of being able to meet any excess or deductible that applies to its insurance policies.
 - i. Each policy shall require 30 days' notice to be given to ORR by the insurer of any lapse or cancellation of or material change to the policy.
 - j. Insurance policies are taken out with regulated insurers of good repute.
 - k. Insurance cover will apply at all times that operations are undertaken.
4. This general approval is subject to the following conditions:
- a. The operator will arrange for ORR to receive confirmation that adequate insurance is in place, as soon as reasonably practicable, after cover is commenced, renewed or materially altered.
 - b. The operator will maintain for a minimum of seven years appropriate records setting out its particular arrangements, the rationale for those arrangements and how the arrangements meet the terms of this general approval.
 - c. The operator will submit these records to ORR for review upon request.
 - d. The operator will modify the arrangements covered by this general approval within 60 days, if reasonably required to do so by ORR.
 - e. ORR can amend or revoke this general approval at any time.
5. Failure to comply with the terms of this general approval could leave an operator liable to enforcement proceedings under sections 55 to 57 of the Act and regulation 8 of the Regulations.
6. For further information about this approval, please contact:
- The Licensing Team
Office of Rail Regulation
One Kemble Street
London WC2B 4AN
Email: licensing.enquiries@orr.gsi.gov.uk
7. Terms defined in ORR's Licensing Guidance shall have the same meaning in this general approval.
8. This general approval has effect from 1 March 2007.



Date: 23 February 2007

Signed by authority of the
Office of Rail Regulation