



**People, Pay
and Pensions
Agency**



MINISTRY OF DEFENCE STATEMENT OF CIVILIAN PERSONNEL POLICY

CIVILIAN DETACHED DUTY EXPENSES - RELATED DOCUMENT - INSURANCE

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INSURANCE

1. The Related Document on Insurance seeks to set out the basic insurance and compensation position for MOD civilian employees undertaking a detached duty visit.

TRAVEL BY PRIVATE VEHICLE – UK AND OVERSEAS

2. When you undertake an official duty visit, using a Private Vehicle, the vehicle may be regarded as private if it is:

owned by you or being bought on hire purchase by you and registered in your name;

or

privately hired by you and the insurance requirements (**see below**) are met and the policy specifically covers you to use the vehicle on official business;

or

registered in the name of your spouse or partner provided that the insurance requirements (**see below**) are met and the policy specifically covers you to use the vehicle on official business.

Insurance Requirements

3. If you use your private motor vehicle on duty you must ensure you are insured for business use. If the vehicle is owned and insured by your spouse or partner you must ensure that you are insured to drive it for the purposes of your employment. If the vehicle is privately hired by you or is a loan or courtesy car (perhaps provided to you while your own vehicle is being serviced or repaired) you must ensure you are insured to use that vehicle for your own business use.

If you are using your vehicle and claiming SRMMA you must hold comprehensive motor insurance. If you are using your vehicle at the PTRMMA the choice of insurance is yours although it must satisfy the normal legal requirements. If you are required to carry equipment or Departmental cash in your vehicle you may need to notify your insurance company. Bear in mind that any loss of MOD equipment or cash will remain a Departmental liability. Consequently, your insurance policy will not be expected to cover this risk. However, the presence of any MOD equipment or cash may make your vehicle more attractive to car thieves, thereby increasing the risk to break in and consequent damage. If you have an accident while driving your own vehicle on official duty you are not entitled to seek reimbursement of any excess charged as a condition of your policy.

Insurance and Ownership Declaration

4. When you use your vehicle on official business you must ensure that prior to undertaking the journey you have read and understood the ownership and insurance requirements detailed above. Furthermore, your vehicle must be in a roadworthy condition (including covered by a MOT certificate if appropriate) and suitable for the journey. Accordingly, you are to make a written declaration to certify that your vehicle is appropriately insured and suitable for use. An example of the certificate is contained in JSP 375 Volume 2 Leaflet 15 Annex A. This should be retained by your line manager. Once a certificate has been completed, there is no universal requirement to complete a new one upon change of vehicle or posting. However, a line manager has discretion to require the completion of a new certificate where it is considered appropriate (e.g. perhaps because you have become a car owner/driver after some years).

Car being driven by someone else

5. You may still make a claim for payment of Motor Mileage Allowance if you are on official business and travelling as a passenger in your own vehicle which is being driven by another properly insured person.

TRAVEL BY OFFICIAL VEHICLE – UK AND OVERSEAS

6. Official and official self-drive hire cars may be a cheaper alternative to paying motor mileage allowances for using your own private vehicle on detached duty. However, whenever the use of a car is necessary for duty travel, you should apply for a MOD Official hire car. The regulations governing the use of official vehicles are set out in JSP 800 – Defence Movements and Transportation, Regulations, Volume 5. Information about the extent of insurance cover when you use an official car is set out below. Cover is provided from a number of sources by means of the Department's third party motor policy and civilian employer's liability policy as well as the provisions of the Civil Service Pension Schemes, the Personal Injury Compensation Scheme (PICS) and, if necessary, by *ex-gratia* arrangements. Further details on insurance are available in DINs issued by D S&C Claims. You must be aware of the clear distinction between MOD/Official hire vehicles which are obtained through MOD hire arrangements and privately hired vehicles which you may use.

Private Use of Official/Self Drive Hire Cars

7. Normally you should not use an official car or self drive hire car for home to duty journeys. Home to duty travel is regarded as a private responsibility. Use of an officially provided vehicle to travel to/from home to work would constitute a taxable benefit in kind. Alternatively, the Department may raise charges against you if you make private use of the vehicle. Exceptionally, there may be occasions when the use of an official car/self-drive hire car for home to duty travel is merely incidental to its business use. In such cases you would not be liable for tax charges for its use. The tax and national insurance implications of using official vehicles for private

purposes is covered in a DCI Gen. You should check the latest version for guidance. Further details on taxation of home to duty travel in self-drive official cars can also be obtained from your local Tax Centre or Office.

Insurance

8. The Department has a third party motor claims handling contract with *Gallagher Bassett International Ltd* which covers both the use of official cars and self-drive hire cars on official business. The contract covers claims arising from authorised duty journeys but it can also extend to semi-official use. As a driver, you should exercise care in deciding what would be considered local and reasonable, taking into account the circumstances of the detachment. MOD does not impose any restrictions on drivers for factors such as age, disability or endorsements on driving licenses provided the driver holds a full DVLA licence valid for the type of vehicle to be driven. If a vehicle is used for private purposes because of an emergency e.g. to return home because of sudden illness of a dependant, authority to use the vehicle should be sought first if possible.

The insurance is also valid when the authorised driver is not an MOD employee, providing the vehicle is being used for MOD business. Authority must only be given to those non-MOD employees essential to MOD business.

Advice and full details about the insurance and claims provisions for official and hire vehicles in the UK from DSC Claims and DINs. However you may find the following points helpful:

Type of Journey	Status of Journey	MOD Insurance Cover (Notes 1,5)		Civil Service Pension Injury Benefit Cover (Notes 2,5)
		Officer	Authorised Passenger (Note 3)	
Home or Permanent Duty Station (PDS) to Detached Duty Station (DDS)	Official	Yes	Yes	Yes
PDS to Hotel (or temporary accommodation)	Official	Yes	Yes	Yes
Hotel (or temporary accommodation) to PDS	Official	Yes	Yes	Yes
DDS to DDS	Official	Yes	Yes	Yes
Hotel to local restaurant/Official Function	Semi-Official (see note 4)	Yes	Yes	No
Hotel to restaurant/entertainment other than local, by choice	Private (see notes 5 & 6)	No	No	No

General sightseeing and visiting friends and relatives	Private (see notes 5 & 6)	No	No	No
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Notes:

1. MOD cover is third party only. Overseas claims are dealt with on the basis of legal liability through the appropriate Area Claims Office. Consult DSC Claims if further information is required.

2. Your Civil Service Pension provides compensation for loss of earnings where income is reduced as a result of an injury which is attributable to civil service employment. Travel except on purely official business is excluded from this cover. An officer in a hired car is in exactly the same situation as far as the Civil Service Pension is concerned as he/she would be if in a private car.

3. The carriage of passengers can result in potentially heavy claims being made against the Department in the event of an accident and therefore authorisation should be restricted to the minimum number of passengers necessary and those essential to MOD business.

4. Where the journey is essential (e.g. the hotel has no restaurant/eating facilities).

5. Officers are responsible for private hire and insurance costs.

6. Staff may still be eligible for payment under the Personal Injury Compensation Scheme (PICS).

Personal injury

9. Claims for compensation for injuries caused to third parties are handled by Gallagher Bassett International Ltd for MOD. Injuries to MOD staff/drivers can be compensated or redressed by a number of means. More than one may apply in any one case depending upon the circumstances. These are:

- Compensation claims by a MOD employee against MOD are handled by Gallagher Bassett International Ltd.

- MOD civil servants may be eligible for injury benefits under the rules of their Civil Service Pension or the PICS.

- Claims by a MOD employee against third parties are supported by the Department's ToPaS arrangements. (This is a legal service provided by MOD on a 'no win, no fee' basis and supports the individual in any claim for damages against a third party. Details of the scheme appear on the Defence Intranet).

- MOD civil servants may also be eligible to claim an *ex-gratia* compensation payment in accordance with Travel by Official Vehicle rules.

Damage to vehicles and property

10. Damage to the MOD vehicle and any MOD property is covered by MOD at its own expense. Repair costs must be met by the user budget.

Claims for damage to a third party vehicle or property are handled by Gallagher Bassett International Ltd.

Overseas

11. You must not take out any insurance offered by the hire company unless it is a legal requirement of an overseas country or State. You should purchase only the legal minimum requirement eg in certain areas of the USA there is a legal requirement for Collision Damage Waiver. However, you should not sign any form of indemnity. If the hire company requires assurance that the cost of repairs to the vehicle will be met, you should use the following form of words;

Form of Indemnity

The MOD, as a UK Government is not required to carry insurance. The MOD will meet the cost of any repairs to lease/hire vehicles(s) arising during the period of hire. The MOD will, if the vehicle(s) is damaged beyond economic repair, pay the pre-accident value (less salvage) and any reasonable loss of use claim arising there from. This indemnity will only apply if the damage to the vehicle(s) does not arise as a result of negligence on the part of ".....", its servants or agents.

**name of vehicle owner/hire car company*

You should refer any request by the hire company for an indemnity to the appropriate Area Claims Office. You can obtain full details about the insurance, claims and damage instructions from the appropriate overseas Area Claims Office or Defence Attache in the British Embassy.

COMPENSATION ARRANGEMENTS WHERE STAFF ARE SERIOUSLY INJURED OR KILLED WHEN DRIVING OR TRAVELLING IN AN OFFICIAL CAR

12. The Department's contract with Gallagher Bassett International Ltd does not apply to death or personal injury to the MOD driver where you are at fault. However the Civil Service Pension Scheme provides death and injury benefits. The determination of any award is the responsibility of the Awarding Agent. There is also provision for the Department to pay compensation through the PICs or, where appropriate, to make an *ex-gratia* compensation payment. Further information about the death and injury benefits available through you pension and the PICS can be found in Civil Service Pension scheme literature. If in doubt, you should seek advice from PPPA.

It is possible that you, or your dependants, may not be eligible for compensation

under the rules of the Civil Service Pension Scheme. This could arise when:
when:

- the accident was caused through the your own serious and culpable negligence
- or
- there was no loss of earnings as a result of the accident.

It is common insurance industry practice for the standard comprehensive motor insurance policy to include personal accident benefits. Consequently, employees who drive their own cars and have comprehensive insurance cover which includes a personal injury provision, are covered for a lump sum compensation payment in respect of loss of life, or of limbs, or of eyes. This would be irrespective of their own negligence or whether loss of earnings resulted. In order that employees are in no less favourable a position when using an official car as regards personal injury compensation than they would have been when driving their own car with fully comprehensive insurance, the Department can pay an ex gratia "injury payment" in the event of death or serious injury. The arrangements apply in the UK and Overseas.

Scope of the Arrangements

13. The arrangements provide for a lump sum ex gratia injury payment in the event of death or serious injury, equivalent to the personal accident benefits paid under the provisions of the Civil Service Motoring Association (CSMA) fully comprehensive motor car insurance policy specially arranged by Frizzell Financial Services Ltd. Compensation may be made to a member of MOD staff, or their dependants, provided all the following conditions are met:

a. An employee suffers injury or death as a result of an accident whilst either driving an official car on officially approved duty, or travelling as an official passenger in an official car on official duty.

b. The employee, or the dependants, is not at the time of the ex gratia injury payment in receipt of injury compensation under the Civil Service Pension rules as a result of the accident.

c. The driver of the official car involved in the accident did not at the date of the accident hold a valid comprehensive motor insurance policy which provided personal injury benefit to either himself or herself or to the passengers in the circumstances of the accident i.e. when driving an official car.

Employees travelling as official passengers in official cars who are injured (or killed) where the MOD driver is at fault will not be eligible for an injury compensation payment under these terms. Claims for personal injury will be dealt with through DSC Claims under the MOD's claims handling contract with Gallagher Bassett International Ltd which covers Civilian employees injured whilst on duty.

The Provision

14. Any injury payment to employees, or their dependants, would be equivalent to the rates payable under Section 6 - Personal Accident Benefits of the CSMA policy document. The current level of compensation is as follows;

£5,000 is paid to the driver if an accidental injury is suffered in direct connection with use of an official car, or whilst travelling in or getting out of any other car provided the injury independently of any other cause, results within 90 days in:

- Death; or
- Permanent loss of any limb by physical severance above the wrist or ankle; or
- The complete and irrecoverable loss of sight in one or both eyes.

The determination of any award payable under these *ex gratia* arrangements will take account of any other award made under the rules of the Civil Service Pension scheme and the Personal Injury Compensation Scheme. The aim will be that the same amount or an overlapping payment for injury or death benefit should not be paid twice from public funds.

The injury payment will be abated by the amount of any damages for personal injury that an employee, or dependants, receive as a result of pursuing a claim for damages, unless the damages have themselves been abated to take account of the injury payment.

If the driver of an official car, at the date of the accident holds comprehensive motor insurance which provides for personal injury benefit when travelling in any other car, Departmental compensation under this arrangement will be limited to the reimbursement of the loss of any no claims bonus.

How to claim

15. Employees, or their dependants, who are eligible for the award of a lump sum *ex gratia* injury payment under the terms of this Annex should submit their claim via their local unit to the appropriate Budget Manager within their Top Level Budget (TLB). Local management should notify the relevant Civilian Personnel Management Authority (CPMA) in the event that an injury payment is made so that the personal file can be annotated.

Should a member of staff, or dependants, subsequently become eligible for an award under the Civil Service Pension rules or in accordance with the Personal Injury Compensation Scheme as a result of the accident the personal file should be submitted to CP Pensions who will ensure there is no overpayment.

CP Pensions should be consulted in cases of doubt as to whether an award under the rules of the Civil Service Pension Scheme would be payable in the first instance.

Level of Compensation

16. £5,000 is paid to the driver if an accidental injury is suffered in direct connection with use of an official car, or whilst travelling in or getting out of any other car provided the injury independently of any other cause, results within 90 days in:

- i) death or
- ii) permanent loss of any limb by physical severance above the wrist or ankle or

iii) the complete and irrecoverable loss of sight in one or both eyes.

Car Leasing Scheme

17. Senior line management/budget managers have the option of authorising the lease of a car to individual employees if this is cost effective. Such leasing arrangements can only be made in accordance with HMR&C regulations.

INSURANCE – OVERSEAS VISITS

Effect on Life Assurance Policies when Flying in Non-Commercial Aircraft

18. Conditions of a life assurance contract are set when a policy is taken out and cannot be varied unilaterally by the insurer during the term of the contract even if circumstances change. Usually, there are no restrictive clauses in a contract, but where special circumstances exist at the time of making the proposal, a restrictive clause may be added or an extra premium charged. If you have occasion to travel by non-commercial air flights (e.g. RAF Trooping Flights) you should ensure that this information is included when completing any new proposal form and you should examine your existing policies to see if there is any restriction on flying activity. If there is a restriction, or if you are in any doubt about your policy, you should consult your insurers.

Travelling as a Passenger in Crown Aircraft

19. If you are travelling in a Crown aircraft you will have the same statutory rights as if you were on board a commercial aircraft. Consequently, death, injury or damage to or loss of personal property while travelling in Crown aircraft will be treated in the same way as if the flight had been commercial.

Cancellation Insurance for Official Travel

20. The full cost of cancellation insurance may be reimbursed in the unlikely event that the conditions under which the tickets purchased from the DPRC or a travel agent require it. You can buy insurance from a travel agent or insurance broker. However, if you buy general 'holiday' insurance, only the 'cancellation' element will be refunded.

Indemnities Required by Private Firms

21. In the unlikely event that you are arranging a visit to a private firm on duty and they request a personal indemnity, the request should be referred through the usual channels to D S&C Claims.

Insurance of Personal Property

22. **During a Duty Flight** – You are responsible for your personal property and will have to meet from your own pocket any expense arising out of loss or damage against which you have not insured. Insurance is advised whether you travel by civil

or Crown aircraft as claims for compensation are subject to the same statutory limits. Damage to or loss of personal property should be reported at the airport to a representative of the airline as soon as possible and claims for compensation made promptly.

23. **Detached Duty Visits**– The insurance of personal property and possessions is the responsibility of the individual. Consequently, in the event of damage to, or loss of, personal property while on detached duty, staff should make a claim against their existing insurance policy. It is expected that most staff will already possess appropriate insurance in the form of their home contents policy. It is now general practice that such policies provide cover for short trips overseas up to a maximum of 30 or 60 days, depending on the policy, in any year. Although individuals are advised to check their policies to ensure appropriate insurance cover, it is therefore likely that existing home contents policies will offer adequate cover for short duty journeys both within the UK and overseas. Alternatively, many staff will already have pre-existing travel insurance policies.

24. **Ex-gratia Claims** – As indicated above, the Department considers insurance a personal responsibility. The decision whether or not to insure personal possessions will reflect an individual's assessment of the value balanced against the risk of loss or damage. However, circumstances may arise when the Department will consider making an ex-gratia award. It is not the Department's intention to make ex-gratia awards to give a means of protection at the taxpayer's expense, which the owner has chosen not to provide at personal expense. Consequently, if an individual has decided not to insure their personal property there is no entitlement to compensation from the Department unless it can be established that the Department has acted negligently and has directly caused the loss suffered.

25. **Privately Arranged Travel (PAT)** – Insurance when undertaking a PAT is a purely personal responsibility. You must ensure adequate provision against loss/costs arising from injury, loss/damage to personal effects, medical expenses and cancellations.

26. **Private Medical Insurance** – Private Medical Insurance will not be reimbursed, as sufficient medical cover is provided through reciprocal medical arrangements, or MOD, for necessary additional costs payable under normal EEA arrangements.