Wrap-Up Capabilities

Owner Controlled Insurance Program for Major Cap. Construction (OCIP) – Implementation Update
Presentation Outline

1. OCIP (Wrap-up) Overview
2. Coverage
3. Administration
4. Claims & Loss Control
5. OCIP Team Directory
6. Questions
1. OCIP (Wrap-up) Overview

Wrap-ups are used by a wide variety of entities...
1. OCIP (Wrap-up) Overview

**Traditional Program**
- Multiple Insurers
- Inadequate Limits
- Gaps in Coverage
- Uninsured Subcontractors
- Cross Litigation
1. OCIP (Wrap-up) Overview

**Simplicity !!**

- 2 to 3 Insurers
- Control of insurance
- Potential Cost Reduction
- Elimination of Redundant costs and contractor mark-up
- Adequate Limits
- Consistent Coverage
- Coordinated Claims and Loss Control
- Minimize Cross Litigation/ Subrogation
- Public Relations
- Larger Contractor Pool
2. OCIP Coverage

Core OCIP Coverage

Excess Liability
$100 Million XS
Follow Form Excess Liability

General Liability
$2 Million Combined Single Limit
$4 Million General Aggregate
$4 Million Products/Completed Ops Agg
$2 Million Personal/Advertising Injury
10 Years Completed Operations

Workers' Compensation

Additional Protection

Builder's Risk

Contractors Pollution Liability (CPL)
Pollution Legal Liability (PLL)
($25 Million)

Owners Protective Professional Indemnity (OPPI)
2. OCIP Coverage

**Contractors Pollution Liability (CPL)**

- Provides coverage for pollution conditions caused by covered construction operations, including subcontractors
- Applies to sudden and accidental pollution conditions
- Covers third party claims for bodily injury / property damage and clean up from on-site or off-site pollution conditions
- $25,000,000 in limits
- Five years of coverage plus a ten year tail
2. OCIP Coverage

Owners Protective Professional Indemnity (OPPI)

- Alternative to costly project professional liability coverage
- Excess coverage sits above designers’ policies
- Coverage is triggered when designers’ policies are exhausted
- $25,000,000 in limits
- Three years of coverage plus a ten year tail
2. OCIP Financial Model

- **Fixed Expenses**
  - *(Fixed Insurance, Excess, Administration)*

- **Loss Sensitive Program**
  - Owner Cost without OCIP
  - Owner Max Cost with OCIP
  - Minimum Cost

- **Cost Avoidance**
  - Typical Savings *(0.5% - 1.2% plus)* of Construction Cost

- **Claims**
  - Minimum Savings

- **Loss Ratio**
  - 0% to 100%
3. Administration – Who is Enrolled?

**Enrolled Parties**
- Project (GL Only)
- Eligible Prime Subs
- All Tiers of Subcontractors Except Excluded
- Other Parties Enrolled at Business Unit Discretion

**Excluded Parties**
- Demolition
- Hazardous Materials Contractors/Transporters
- Architects, Surveyors, Engineers
- Vendors, Suppliers, Fabricators, Material Haulers, Truckers
- Subcontractors Not Performing any Actual Labor on the Site
3. Administration Services

- Contract Language
- Subcontractor Education
- Contractor Insurance Cost
- Contractor Enrollment
- COI Tracking
- Monthly Reporting
- Contract / Project Close-Out
3. Administration Services

**Administrative Launch**

- Finalize CSU Contract Language
- Finalize Insurance Manual Template
- Confirm First Project
- For First Project:
  - Meet with Project Team
  - Issue OCIP Language in Bid Instructions
  - Issue Contract with OCIP Language
  - Issue Insurance Manual
  - OCIP Kick-off Meeting with CMAR
  - Pre-Construction OCIP Orientation for Contractors
3. Administration – Alliant WrapX

- Web-based system
- Highly Flexible
- Powerful search features
- Online Contractor Portal for all data entry
- Online Owner Portal with full access to program
- Automated Delinquencies and Reports
- Program Benchmarking
4. Claims Management

- Local claims advocacy
- Contract review
- Establishment of claims procedures & special handling guidelines
- Claims reviews / claims audits
- Coverage questions reviewed & resolved
- Coordination in production of claims kits / insurance manual
- Litigation management / Cost containment
- Definitive OCIP close out execution plan for open claims and reserves
4. Loss Control

Plan For Safety Excellence

The General Contractor is Responsible for Project Safety

- Development of a site specific safety plan
- Subcontractor project-specific safety orientation
- Dedicated jobsite safety coordinator
- SIP and Pre-Task Program – contract documents – more stringent than OSHA
- Regular oversight and support from the Corporate Safety Department team members
- Weekly all hands tailgate meetings
- Active return to work program
- Alliant to provide a full-time safety resource
## 5. OCIP Team Directory

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Group</th>
<th>Company</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
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6. Questions?