

# Owner-Controlled Insurance Program (OCIP)



Powered by Lockton

## ARE YOU PLANNING A CAPITAL PROJECT THAT COSTS AT LEAST \$40,000,000?

Check out our new Lockton program to insure the project. You will obtain significant COST SAVINGS:

- Take advantage of the economies of scale volume purchasing
- Eliminate contractor mark-ups on insurance (1% to 5%)
- Utilize our construction safety experts to reduce accidents and drive down claim costs
- Lower litigation costs

## DID YOU KNOW?

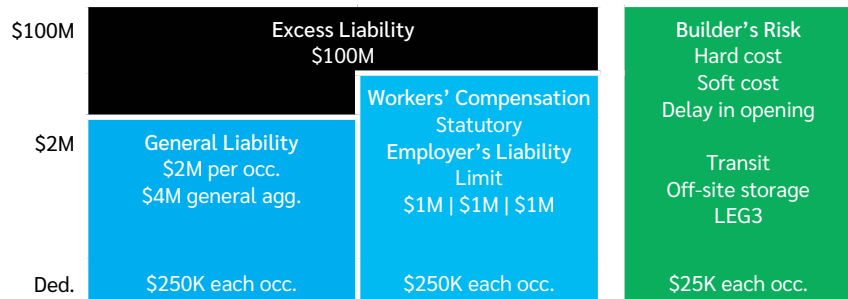
Capital projects typically rely on contractor's providing the insurance which is often a profit center for them.

## Our insurance solution for your capital projects

### CONCEPT

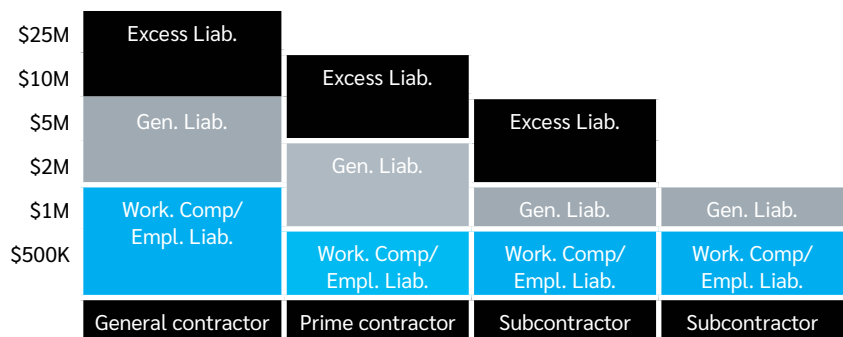
- Single projects, ongoing, or rolling, owner-controlled insurance program
- Covers construction liabilities for large capital projects
- Projects are rolled into and out of the program as they are started and completed
- New construction, renovations, expansions/improvements
- Sponsor provides insurance for all enrolled contractors

### OWNER-CONTROLLED INSURANCE PROGRAM STRUCTURE



### TRADITIONAL PROGRAM STRUCTURE

#### (CONTRACTOR-PROVIDED INSURANCE)



### ADVANTAGE SUMMARY

TRADITIONAL PROGRAM	
• Multiple insurers	• Duplication of costs
• Inadequate limits	• Stacking of markups
• Gaps in coverage	• No products/completed operations extension
• Uninsured contractors	
• Cross litigation	
• Inefficiency	

VS.

WRAP-UP PROGRAM	
• One insurer	• Decreased markups (1%-3% savings of total project cost)
• Adequate limits	• Products/completed operations extension up to the Statute of Repose
• Consistent coverage	
• Control	
• No cross litigation	
• Efficiency	
• Consistent services	

## How Lockton will help clients achieve a successful OCIP

### Program Structure

- Loss projections
- Feasibility study
- Analysis of proposals
- Benchmarking

### Marketing

- Experience
- Relationships
- Tailored OCIP submission
- Underwriting meetings and calls

### Administration

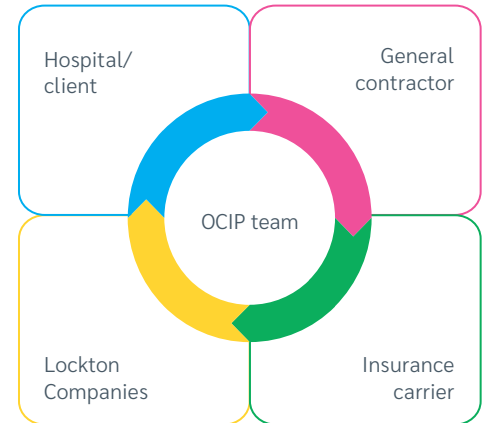
- CIP manual
- Pre-bid presentations
- Swift enrollment
- Assist subcontractors
- Gather necessary data
- Maintain database

### Claim mgmt/ loss control

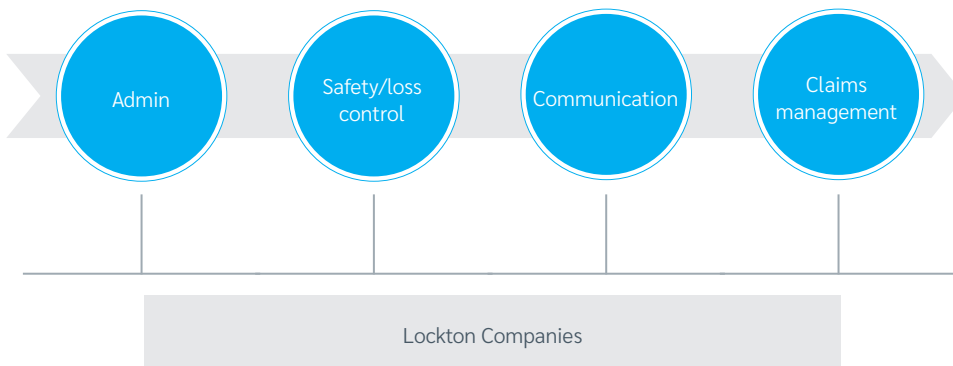
- General Liability and Workers' Compensation consultants
- Work with adjustors
- Quarterly claims reviews
- Loss control oversight

### Close out

- Continued claims involvement
- Close out of subcontractors
- Notification of CIP end



## Keys to success



**Savings: \$1,000,000+ for a \$100M project**

## Next steps

- Obtain project assumptions
  - Cost, labor, duration, etc.
  - Realistic financial model
- Design and market program
- Implement program
  - Affect contract provisions
  - Bind program
  - Project management meetings
  - Contractor orientations

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