

# OWNER'S EDGE: REDUCING RISK FOR CONSTRUCTION PROJECT OWNERS



During and after the construction phase of a project, contractors are often held liable for injuries to third parties and property damage arising from performed operations. Although much of this risk lies with contractors, project owners could also face considerable liability related to actions performed by independent contractors. Many of these risks can be managed through owner's interest liability policies and owners and contractors protective liability policies — brought together in the Owner's Edge program, designed by Marsh and Colony Specialty.

Owner's Edge was created to help project owners more effectively and efficiently manage their policies. Through an online portal, project owners can receive instant quotes for the program, which has admitted excess limits and direct access to Colony Specialty's underwriting resources.

## UNDERSTANDING LIABILITY COVERAGE

The Owner's Edge program includes two primary liability products to help owners manage construction project risk:

- An owner's interest liability (OIL) policy is a project-specific, customized commercial general liability policy used to protect an owner from liability during the construction phase of a project. This product is intended to eliminate gaps in owner's liability insurance programs and provide broader protection. In addition to coverage for incidents occurring during construction, an OIL policy provides coverage for incidents occurring several years after the completion of the project, up to statutory limits in the project's home

### Who it's for

- Project owners in the real estate, gaming, hospitality, health care, public entity, and higher education industries.
- Project owners that must satisfy insurance requirements in lender agreements.

### What you get

- Robust OIL and OCP coverage to manage construction project risk.
- Access to admitted excess limits (up to \$100 million excess of Colony Specialty's \$10 million lead excess).
- Access to admitted excess limits available on Marsh XSellence, Marsh's proprietary excess liability policy form.
- A streamlined process for expanded coverage grants around pollution, professional liability, and subsidence.
- Direct access to Colony Specialty's underwriting resources.

state. An OIL policy provides insurance (excess and contingent of the general contractor's insurance) for liability the owner may face during or after construction. The policy covers losses that cannot be recovered under the general contractor's policy because limits have been eroded or coverage otherwise cannot respond.

- An owners and contractors protective liability (OCP) policy provides liability coverage for the insured for the negligent acts of contractors and subcontractors hired by the insured. It may also cover contractors for their own negligent supervision of the work performed. Coverage for negligence of the owner is usually restricted, and applies to acts or omissions of the named insured only if such acts or omissions are related to the general supervision of the contractor's operations. OCP policies also exclude coverage for products, completed operations hazards, and personal and advertising injuries, and OCP coverage is unavailable under an umbrella or excess policy.

## HOW OWNER'S EDGE IS DIFFERENT

Owner's Edge was designed to maximize efficiency and value. The program offers coverage grants and enhancements for critical risks that historically could only be obtained after lengthy discussions with wholesalers, including:

- Extended completed product operations coverage for up to 10 years and included within the premium.
- Access to admitted excess limits (up to \$100 million excess of Colony Specialty's \$10 million lead excess).
- Access to admitted excess limits available on Marsh XSellence – Marsh's proprietary excess liability policy form.

- Closer relationship with wholesale broker, RT Specialty, to streamline binders, invoices, policy issuance, and the filing of excess and surplus lines taxes.
- A streamlined process for expanded coverage grants around a range of risks, including pollution, professional liability, and subsidence.

Owner's Edge also offers a clear process for maximizing these coverage grants. For example, Colony provides a risk transfer document as an addendum to the contract — the owner receives a 10% premium reduction just by signing it.

There's no minimum or maximum construction value required to transfer risk to the Owner's Edge program. Getting a quote starts with answering some simple questions for Marsh, including:

- What is the term of the project (in months)?
- Has work on this project already started?
- Will a tower crane be used on this project?
- Will there be occupancy during the project?

## WHY MARSH?

Marsh's construction practice has one goal: To deliver solutions that help clients preserve and grow capital. We offer the advantages of a large broker in a local, client-centered service and delivery package. With more than 500 experts in key disciplines — including engineering, economics, finance, and claims — Marsh is the leading broker for project insurance program design and placement.

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