

## MARSH INSIGHTS: FOUR REASONS TO CHOOSE AN OWNER-CONTROLLED CONSTRUCTION INSURANCE PROGRAM (OCCIP)

Owner Controlled Construction Insurance Programs (OCCIP) allow project owners to purchase a master insurance program to cover all construction, the owner, contractors, architects, and consultants associated with a given project.

While not necessarily suitable for all circumstances, this paper outlines the four most common benefits of choosing an OCCIP.

### QUALITY OF COVERAGE

First and foremost, the OCCIP gives the owner 'quality of coverage'. It allows the owner direct control over the terms and conditions of the program, avoiding gaps and overlaps in coverage since the one program covers all participants. The owner can also control market financial security by placing the coverage with acceptably rated insurers.

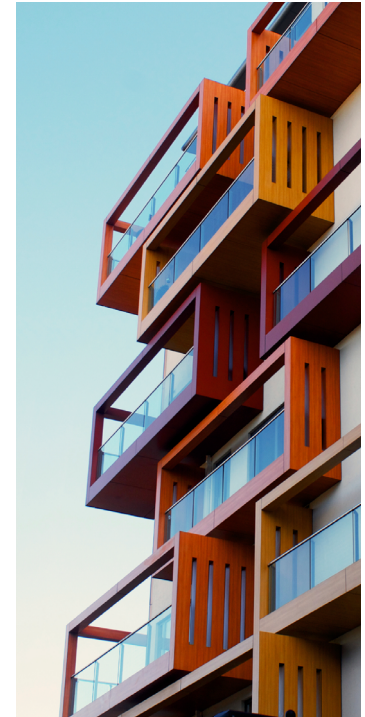
In addition, contractors may not procure coverage for exposures that are owner specific (as example, issues such as Business Interruption are likely to be more of a concern to the owner than the contractor.) It is important to remember that the exposures an owner faces include all of the exposures a contractor faces, in addition to a host of periphery exposures.

### ECONOMY OF SCALE

An OCCIP provides economy of scale. By combining the premiums of the various contractors, sub-contractors, engineers, and consultants involved in the project, the owner can gain significant market leverage, which results in lower insurance premiums. There is also less time and effort spent examining contractor insurance costs and contract compliance.

### PROGRAM ADMINISTRATION

OCCIPs can also reduce project paperwork and administration. As the entire project is insured under a single program, the tracking of the project participant's insurance documentation is less rigorous. The need to track renewal documentation (with the exception of coverages such as Automobile and Contractor's Equipment Insurance) is eliminated. Your project broker can assist in analyzing certificates and reducing the administration even further.



## CLAIMS PROCEDURES AND LOSS PREVENTION

If the owner procures the coverage, the claims settlement process is responsive to the owner, rather than the contractor. Further, owner's broker would be assisting in any claims scenario, which is especially helpful in the event that there is a dispute between the owner and contractor.

From a loss prevention perspective the owner benefits from independent project review and site safety consultation offered by a broker/insurer that is not linked to the contractor/consultant.

For more information, please contact your local Marsh representative, or visit [www.marsh.ca](http://www.marsh.ca).

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