



# Hybrid Pinpoint Seminar

## June 15, 2022

Thanks for joining us today!

## Construction OCIP/CCIP Insurance Programs

**What you should know  
before enrolling.**

*A conversation with Don Aberbook and Austin  
Goerke @ Moody Insurance Agency*



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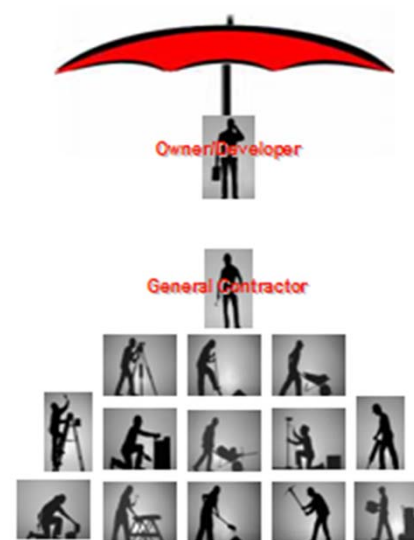
Thank you!

# Webinar Courtesies:

- ★ Thank you to our virtual attendees for being on-time.
- ★ Participant videos are turned off in this hybrid Zoom webinar format.
- ★ Please participate by using the **Q&A** and **Chat** buttons for questions.
- ★ If you would like to talk or ask a live question, you will need to send a chat message to Debbie. In the case of background noise, the host (me😊) may need to mute you.
- ★ Final note, in order to earn CIU/CEU credit, you will be required to answer a final poll question at the end of today's presentation.

## The Wrap-Up (OCIP/CCIP) Insurance Program

- Insurance
  - Provided by Owner/Builder
  - Same limits and exclusions for all
  - Completed operations coverage\*
  - Not renewed annually
  - Need to be enrolled
- In the event of a claim
  - Single target
  - Unified defense
  - Single Deductible/SIR
  - Cross-suits eliminated
  - More efficient process



# General Liability Insurance Program Comparison

## Wrap Insurance Programs

- Single policy
- Same coverage limits
- Subs get “enrolled” in wrap
- Coverage throughout statute of repose
- Single primary GL target
- Unified defense
- Modified sub responsibility
- “No fault”
- Cross-suits eliminated

## Traditional Insurance Programs

- Numerous policies
- Varying limits of coverage
- Subs add Owner/Builder as Additional Insured
- Subs must provide completed operations -coverage
- Each policy targeted
- Fragmented defense
- Each sub pays for defense
- Who is at fault?
- Cross-suits are common

## Wrap Up Insurance Benefits

1. Insurance limits that the insured feels is correct
  - May be higher than individual policies
  - Dedicated project limits
2. Trades can work on the project, who might otherwise have a limitation or exclusion on their policies
3. Provides Completed Operations coverage (up to state statute of repose)
  - Coverage for a contractor's liability for injuries or property damage suffered by third parties as the result of the contractor completing an operation.
4. Work performed may be excluded from premium basis (at audit time)
  - Sub will not carry the liability forward and thus receive a credit



## Wrap Up Claims Benefits

- Unified defense for enrolled participants
  - More cost-effective and efficient
  - Cross litigation costs reduced
- GL claims will “not ding” the enrolled participants’ loss history



## Wrap Up Disadvantages/Pitfalls

- Are their enough insurance limits purchased to protect all parties?
- What exclusions does your General Liability policy have?
- Not all policies have the same coverage
- Deductible Requirements





## Whom to Enroll

“To enroll”  
or  
“Not to enroll”  
A Participant



Enrollment does not mean “coverage”

## Typical Excluded “Coverage's”

- Most wrap policies exclude coverage for:
  - Off Site Activities
  - Tools/Equipment
  - Hazardous waste removal
  - Pest control companies
  - Vendors - Material suppliers
  - Delivery personnel
  - Design professionals / Consultants – trades



## Generally Acceptable “Critical” Participants

- Excavation
- Concrete
- Framing
- Roofing
- Electrical
- Plumbing
- HVAC
- Insulation
- Drywall
- Masonry
- Finished Carpentry



## Enrolled Trades' Insurance Requirements

- Provide Certificates of Insurance / per contract requirements (carrier rating; limits & endorsements)
  - General liability insurance for operations “away from” the Project site
    - Can be require to name Owner/GC as an "additional insured“
  - Automobile liability
    - Additional Insured and Waiver of subrogation
  - Workers' compensation
    - Only a Waiver of subrogation
  - Professional Liability
    - For “design” work



## Your Contract Language

- Is the only place legally binding the participants to the Program
- Modifies the Indemnity & Insurance language or has an addendum
- Make no guarantees that coverage is sufficient to cover all claims
- Reference the Program's Insurance Manual



## Non-Enrolled Insurance Requirements

- Provide Certificates of Insurance / per contract requirements (carrier rating; limits & endorsements)
  - General liability insurance for completed operations
    - Name Owner/GC as an "additional insured"
    - ★ • Require an Additional insured endorsement
    - Primary Non-contributory language
  - Automobile liability
    - Additional Insured and Waiver of subrogation
  - Workers' compensation
    - Waiver of subrogation
  - Professional Liability
    - For "design" work

## Insurance Bid Credits - Premium Allocation

- Will it be required by the:
  - General Contractor
  - Subcontractors
  - Other Enrolled participants
- If yes; the method of calculation of the participant's contribution must be disclosed in sub/participant's contract and the contribution is reasonably limited so that each participant may have some financial obligation in event of claim alleged to be caused by that participant's scope of work.



## The Self-Insured Retention (SIR) or Deductible Contribution

- Will it be required by:
  - General Contractor
  - Subcontractors
  - Other Enrolled participants
- Method of calculation
- Contribution may only be collected when and as such SIR or deductible is incurred by builder or GC and in an amount that bears reasonable and proportionate relationship to alleged liability arising from the claims alleged to be caused by sub's scope of work.
- Total amount collected from subs can't exceed actual SIR or deductible due and payable by builder or GC





## Claims related issues



- Cross-suits exclusion – exceptions, why they are critical in potential claims scenarios
- Potential claims gaps in sorting out whether Wrap or Builders Risk is triggered



## Trends

- Hardening market in western states for multi-family “for sale” – very limited markets, difficulty with excess markets
- Rates (Condos vs. apartments)
- Defense costs inside or outside limits
- Watch for subsidence exclusion
- Very limited markets



## Questions, Comments, or Suggestions

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# Final comments:

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- ★ Thank you **Don, Austin, Brad & Moody Insurance!**
- ★ All - your feedback helps us plan future webinars and seminars. For those in person, please fill out the survey on your table and return to the check-in table. For virtual attendees, A survey will be sent after the seminar, please take the time to respond.
- ★ If you attended virtually as a group with one log-in today, please send Debbie the photo with list of who was in room.
- ★ Please answer this final question to earn your CIU/CEUs. Then, you are free to hop off and end your session.
- ★ A copy of the handout/presentation will be available at:  
<https://www.coloradoroofing.org/member/education>

**Thank You for attending!**