

Owner controlled insurance programme

OCIP



CONSTRUCTION

The Owner Controlled Insurance Programme delivers a solution that meets the needs of all stakeholders on a project.

The key benefits of an Owner Controlled Insurance Programme (OCIP) are:

- **cost control** – you control the cost of insurance from the outset of the project
- **premium savings** – by bulk purchasing the programme with the same markets, you can achieve significant cost savings
- **comprehensive coverage** – at JLT we can negotiate the broadest possible policy wording, which is consistent across all parties on the project
- **flexibility** – the OCIP provides opportunities to adapt the insurances to the changing needs of the project,

including pre-let tenants' requirements and fit-out risks

- **reduced administration** – the OCIP eliminates the need to check contractors' and/or subcontractors' insurance policies and renewals
- **satisfies lender requirements** – from the earliest stage the OCIP can be tailored to meet the lender's approval
- **seamless protection** – it eliminates problems between construction and operational exposures
- **efficient claim resolution** – the OCIP results in a faster and more efficient negotiation and resolution of claims. The OCIP avoids costly and lengthy cross-claims between parties and their separate insurers. The OCIP provides automatic waivers of subrogation between the parties.

The policy period of the core OCIP is a fixed period for the life of the construction and during this time it addresses the exposures under the following headings:

- Construction All Risks (CAR), Material Damage: covering the works, materials and existing property
- Third Party Liability (TPL)
- Advance Loss of Rent/Revenue (ALOR), Delay in Start-Up (DSU).

Terms for this insurance are fixed at the outset with premiums payable on an agreed instalment basis over the period of the project.



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In addition to the core OCIP, JLT can provide you with solutions to address other project specific exposures. Examples of these include:

- Cargo and Cargo DSU
- Sabotage and Terrorism
- Environmental insurances
- Professional Indemnity
- Inherent Defects
- Non-Damage Delay.

OCIP does not remove contractors' responsibilities and liabilities

An OCIP does not remove the responsibilities and liabilities of contractors, subcontractors, suppliers and consultants under contract. JLT can assist you in the drafting of suitable clauses for contractual documents to reflect that the owner is providing specified insurances for the benefit of all parties, whilst ensuring that there is no change in the allocation of risk to the contractor.

Our Construction team would be delighted to answer your risk management and insurance needs.

