



# Office of the City Administrative Officer Risk Management

## Owner Controlled Insurance Program (OCIP)

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**OCIP:** An OCIP is a single insurance program put together to cover the owner, construction manager, contractors and subcontractors.

### Benefits:

- Maximizes buying power of City through bulk purchasing leverage.
- Provides broader coverage and higher dedicated limits.
- Protects City for its “active negligence” which is not covered under contractor provided insurance pursuant to Section 11580.04 of the California Insurance Code.
- Helps to expand pool of qualified subcontractors to include locally owned and minority contractors since insurance is provided. Also helps firms to established favorable experience modification factor for future projects.
- Promotes greater safety awareness and protects City from fines under Cal/OSHA multi-employer worksite regulations (T8 CCR Section 336.10).
- Reduces litigation and claim costs.

#### 1. Control

- Dedicated Insurance Limits to Project
- Uniform and Broader Insurance Coverage
- Coordinated Project-wide Claims/Safety Program
- Easier Transition From Construction to Operation

#### 2. Costs Reduction

- Reduce Insurance Premiums
- Save 1% of Construction Hard Costs
- Eliminate Contractor Mark-Up
- Benefit from Positive Loss Experience
- Reduces City Attorney Costs/Time
- Minimizes Subrogation/Litigation
- Safety Training and Monitoring Provided

#### 3. Service Enhancements

- Dedicated Risk Management Team
- Centralize Safety, Claims, Policy Issuance, Insurance Compliance, Payroll audits, etc.
- Risk Management Information System (RMIS)
- Monthly Project Reports

#### 4. Community Relations

- Expedited 3<sup>rd</sup> Party Claim Resolution
- Provide More Project Control
- Assists in opening up bidding opportunities for smaller disadvantaged business enterprises (MBE, WBE, DVBE)