

Liability Coverage to Protect Construction Project Owners

Whitney Rolf, ASLI, AINS, Arlington/Roe Commercial Broker

Construction project owners face an assortment of risks during, and after construction on their property. Project owners also face considerable liability related to actions performed by independent contractors. There are three major types of insurance policies available for property owners to make sure they are covered properly.

Owners Interest Policy

Owners Interest Policy (OIP) is a project-specific policy that provides GL coverage, including premises & completed operations, for vicarious liability that the owner can face during construction (excess of the construction manager or GC's policy). Protection will drop down to pay covered losses that are uncollectible under the general contractor's own policy because limits have been eroded or coverage otherwise cannot respond.

Owners and Contractors Protective Liability

Owners and Contractors Protective Liability (OPC) is a limited policy which provides liability coverage to the insured for the negligent acts of the general contractor they've hired (and their subsequent subcontractors) during construction in progress. Additionally, the property owner is only covered from liability that arises from omissions or acts in the general supervision of the contractor on the project.

Owner-Controlled Insurance Policy

A Wrap-Up Policy, also known as an Owner-Controlled Insurance Policy (OCIP) is the most comprehensive of the three. A property owner purchases this policy to cover everything instead of contractors taking out their own liability and workers' compensation insurance. This insurance is sold on the principle that it costs less to buy insurance in bulk than buying it piecemeal.

By carefully assessing how much coverage your insured may need and what they need covered, they can make a decision that is economical while keeping them fully protected. Our Brokerage team is here to lend our expertise to a host of construction product offerings.

Contact **Whitney Rolf** at wrolf@arlingtonroe.com or ext. 8727.