

# Owner's Interest for Construction Project Owners

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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.

At a minimum, project owners should require strong risk transfer between themselves and the general contractor, including an executed contract that contains the following (at a minimum):

- Indemnification and additional insurance language in favor of the owner
- A hold harmless provision
- The owner needs to be included as an AI on the GC's general liability policy
- A certificate of insurance showing the GC carriers adequate limits

Project owners can also purchase separate coverage by purchasing an owner's interest policy.

An 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 (in excess of the 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. Lenders also generally require an owner to purchase separate insurance to protect the interest of the borrower.

## Recently Written Accounts:

Ground-Up Construction of  
Multi-Family Complex  
GL \$103,000  
\$10M XS \$93,500

Converting Hotel Into Apartment  
Complex  
GL \$11,000  
\$5M XS \$4600

Renovation of Outdoor Shopping  
Center  
GL \$54,500  
\$10M XS \$48,900

## Submission Requirements

- Completed Supplemental App
- Full scope and budget of project
- Job site details
- Copy of executed contract between the Owner and the GC
- GC's loss runs (if available)

Our experienced Brokerage team is here to help with a host of construction product offerings.

Contact **Whitney Rolf** at [wrolf@arlingtonroe.com](mailto:wrolf@arlingtonroe.com) or ext. 8727.