

# Owner controlled insurance programme for construction projects broker factsheet

Chubb's construction project policy is an owner controlled insurance programme (OCIP) designed to meet the insurance requirements of a wide range of construction projects, ranging from residential apartments through to large civil engineering contracts.

CHUBB®



Chubb takes time to understand the unique exposures of each contract and tailors a policy to meet the material damage, revenue protection and third party liability exposures. Chubb's single policy can insure all the parties involved in the project, as required under Joint Contracts Tribunal (JCT) conditions.

## **Why do your clients need specialist OCIP insurance?**

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- Time saving - the simplicity and security of a single project policy.
- Comprehensive protection managed centrally - broader covers and no need to rely on contractors' insurance arrangements.
- Cost savings - greater control of insurance costs and no other parties passing on the cost in the tender price.
- Centralised claims management - elimination of coverage disputes and subrogation between contractor and multiple insurers.

## **Policy offering**

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Employer or contractor arranged project insurance, with options to include:

- Contractors all risks or erection all risks
- Delay in start-up cover (e.g. advanced loss of revenue/profit/rent/debt servicing)
- Third party liability including non-negligence (e.g. JCT 6.5.1 / 21.2.1)
- Existing structures
- Cost of emergency/preventative action

## **Limits**

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- Policy limits are tailored for each client

## Appetite

We like to insure	We are cautious of
<p><b>Construction</b></p> <ul style="list-style-type: none"> <li>• Residential/commercial/retail and leisure</li> <li>• Public sector</li> <li>• Landmark and high rise buildings</li> <li>• Stations and railways</li> </ul> <p><b>Civil Engineering</b></p> <ul style="list-style-type: none"> <li>• Airports</li> <li>• Tunnels</li> <li>• Motorway/road/structures</li> <li>• Hydro plants</li> <li>• Surface mining</li> <li>• Pipelines/marine and harbour developments</li> </ul> <p><b>Erection All Risks</b></p> <ul style="list-style-type: none"> <li>• Power</li> <li>• Water and waste water treatment</li> <li>• Major industrial / manufacturing and process machinery</li> <li>• Waste to energy / recycling</li> <li>• Petrochemical</li> </ul> <p><b>Private Finance Initiative (PFI)</b></p> <ul style="list-style-type: none"> <li>• Any building, civil engineering or machinery driven risk which is conducted through a private finance initiative</li> </ul>	<ul style="list-style-type: none"> <li>• Timber frame</li> <li>• Stadia with retractable roof</li> <li>• Offshore risks</li> <li>• Windfarms (on and offshore)</li> <li>• Operational power</li> <li>• Underground mining</li> </ul> <p><b>Providing cover for</b></p> <ul style="list-style-type: none"> <li>• Liquidated damages</li> <li>• Latent defects</li> </ul>

## Why choose Chubb?

**Experience.** Chubb's skilled underwriters take time to understand a contractor's business and then tailors policies to its specific requirements. Our underwriters are experienced, dedicated and empowered to provide the best product to our client base.

**Broad, all risks policy.** Chubb's policy has no security warranties which helps create certainty and avoids dispute in the event of a theft or malicious damage loss.

**Risk management surveys.** Chubb's Engineers and loss control team has specialist knowledge of the construction industry, technology and process and the associated risks. Surveys are carried out at no additional cost to the client. Our engineers also offer support and advice via our guidance documents for the prevention and protection from fire.

**Award winning claims service.** Brokers state our claims service is a key differentiator for such risks. At Chubb we have a dedicated and experienced claims team supporting our clients.

**Highest AM best rating.** This indicates Chubb's financial strength and long-term ability to pay claims.

## Key selling points

Cover/Service	Benefit
<b>Experienced underwriters, not off-the-shelf policies</b>	Chubb's dedicated underwriters take time to understand each client's needs and create bespoke policies- rather than a one-size-fits-all solution. Your clients gain from cover and limits that reflect their specific business activities.
<b>Delay in start-up cover</b>	Chubb can offer protection for revenues impacted when a project is delayed due to insured damage. Advanced loss or profit, revenue, rental income and also debt servicing can all be covered.
<b>Third party liability</b>	Protection against damage to third party property, bodily injury or nuisance in connection with the construction project.
<b>Local underwriting authority</b>	Your local underwriter will have the authority necessary to make decisions and adapt the policy to the client's needs.
<b>Broad, all risks form</b>	Provided as standard. Chubb will then tailor additional policy elements and limits.
<b>No security warranties</b>	Provided as standard. Chubb takes the time to understand each clients' security procedures and does not penalise them with onerous security warranties. Unlike many other insurers, there are no security warranties withdrawing cover for theft or malicious damage of unsecured non-ferrous metals or of contractors' plant and equipment.
<b>No heat work warranties</b>	Provided as standard. Chubb takes the time to understand each clients' procedures and permits for work involving the application of heat. Unlike many other insurers, there are no warranties withdrawing cover in the event of non-compliance with certain criteria or permits.
<b>Financial stability</b>	An insurer's financial stability is key when it's the central insurer on a large programme. Chubb is consistently awarded high ratings for its financial strength e.g. A++ (Superior) from AM Best and AA from Standard and Poor's.
<b>Risk management services</b>	Chubb's dedicated construction loss control resource can provide pre-cover visits, risk advice and ongoing risk management support.

## Case studies

<b>Technical review of crane management</b>	<b>The Chubb advantage</b>
An incident involving the collision of two tower cranes at one of the contractors' project sites prompted Chubb's loss control team to set up inspections of the contractors' other sites to review their crane management.	The Chubb loss control team carried out a detailed technical review of the crane management at the insured's contract sites, agreeing the implementation of new procedures and automatic anti-collision tools.
<b>Security risk review following large theft loss</b>	<b>The Chubb advantage</b>
A substantial theft loss occurred during the early stages of an 18 month contract for the major structural renovation of a high profile listed building.	The Chubb policy does not have any security warranties and the claim was paid. The use of manned security guarding was felt to be cost prohibitive by both the client and contractor due to the length of the construction contract. Alternative solutions were suggested by our loss control surveyor including the use of remote monitored detector activated security cameras in combination with perimeter hoarding and lighting. This was accepted by all parties as a cost effective and secure solution on a high profile construction site.

## Also available

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Chubb also offers insurance solutions for:

- Annual Contractors All Risks and Erection All Risks
- Contractors' Plant and Equipment
- Environmental Site Liability
- Contractors' Pollution Liability
- Directors and Officers insurance
- Personal Accident and Travel
- Marine
- Property Package

## Contact us

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For more information or to obtain a quote please call your local underwriting or sales contact.

[chubb.com/uk](http://chubb.com/uk)



**Chubb. Insured.<sup>SM</sup>**

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