



Workshop U

FORUM ON OCIPs

Presented by

Panelists

Richard Anderson, CPCU
Assistant Vice President—
Construction Wrap-Up
The St. Paul

Bob Dabler, ARM
Risk Manager
Ash Grove Cement Company

Jo Ann Clement
Vice President
Manager, CIP Administration
The Lockton Companies

Jeff Hicks
Senior Vice President
R.J. Griffin & Company

Moderator

Diane M. Bureman, CPCU, ARM
Vice President
The Lockton Companies

While owner controlled insurance programs (OCIPs, or “wrap-ups”) have gained some ground in recent years in terms of usage and balance of interests, they continue to pose challenges and create controversy among construction project participants. Recently some doubts have been cast as to the effectiveness of wrap-up programs. In this session, a panel of construction risk and insurance experts will discuss both the basic issues contractors and owners have with wrap-up insurance programs, and developing issues based on current market factors.

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Richard Anderson, CPCU
Assistant Vice President—
Construction Wrap-Up
The St. Paul

Mr. Anderson is a panelist for Workshop U, "Forum on OCIPs," on Thursday. His responsibilities at St. Paul include leadership of the Construction Wrap-Up (OCIP) and Specialty (Poll/Prof) Unit at the corporate headquarters of St. Paul. His duties involve strategic development, marketing, and placement of programs plus overall division management. He is a member of the Construction leadership team representing construction wrap-up, specialty, and large accounts.

He has been with The St. Paul 25 years, including 15 years with Construction and 4 years in National Accounts. He also has experience as a construction regional manager and as a regional director in the corporate headquarters. His expertise includes working on large accounts and complex risk financing programs.

Mr. Anderson earned a bachelor of arts degree from Simpson College in Indianola, IA. He holds the CPCU designation. He is a member of the CFMA and serves on the Insurance Committee of the Distribution Contractors Association (DCA).

Jo Ann Clement
Vice President
Manager, CIP Administration
The Lockton Companies

Ms. Clement is a panelist for Workshop U, "Forum on OCIPs," on Thursday. She is manager of the controlled insurance program (CIP) administration operations for Lockton Companies of Kansas City, MO. She is responsible for the administration of wrap-ups and coordinates the needs of wrap-up administrators in Lockton's offices throughout the country. Ms. Clement joined Lockton in 1994 as an account executive in the Construction Unit. Prior to her employment with Lockton, she spent 14 years with Alexander & Alexander of Kansas City. She became involved with wrap-ups in 1998 and today is responsible for product development as well as education and training of Lockton's program administrators. She is currently working with Lockton's Information Technology staff to develop and enhance WebWrap, Lockton's risk management information system for wrap-ups.

She participates as a member of the PCIP administration team for the T-Rex project, the first partner controlled insurance program (PCIP) for the Colorado Department of Transportation. This highway expansion and light rail construction project spans 19 miles and will take 5.5 years to complete. Ms. Clement coordinated efforts to design and place the insurance coverages for the project and continues to assist with the administration efforts and policy maintenance services.

Recognizing the effects of wrap-ups on contractors' insurance programs, Ms. Clement has recently written an article for *The NAWIC Image* magazine, which addresses the issues subcontractors should know or be educated on while participating in wrap-ups. She also developed and conducts "in-house" classes for insurance professionals to identify potential coverage pitfalls surrounding wrap-ups.

Ms. Clement holds CIC and AU designations and is currently working on obtaining a chartered property and casualty underwriter (CPCU) designation. In addition, she is pursuing a bachelor of science degree in management from Park University.

Bob Dabler, ARM
Risk Manager
Ash Grove Cement Company

Mr. Dabler is a panelist for Workshop U, "Forum on OCIPs," on Thursday. He has been risk manager of Ash Grove Cement Company in Overland Park, KS, 7 years. His areas of expertise include evaluating risk financing options for liability and workers compensation exposures; planning and developing corporate property/casualty insurance programs; analyzing and negotiating coverage and conditions as well as premiums for purchase of insurance; monitoring and administration of the self-insured workers compensation program for the company and all of its subsidiaries; filing appropriate documents to maintain self-insuring authority; development of construction contracts, purchase agreements, and certificate of insurance procedures; arranging and monitoring third-party administrator agreements when appropriate; coordinating litigation/settlements with outside counsel and in-house personnel as needed; identifying, evaluating, and making recommendations to management on the control of exposures; maintaining loss statistics and advising management of trends in claims; and coordinating resolutions/rejections of insurance company recommendations.

Previously, Mr. Dabler spent 14 years working for insurers in commercial underwriting and loss control capacities.

He holds bachelor of science and master of science degrees in Industrial Safety from Central Missouri State University. He obtained an Associate in Risk Management designation in 1993 and is a member of the Risk Management Society.

Jeff Hicks
Senior Vice President
R.J. Griffin & Company

Mr. Hicks is a panelist for Workshop U, "Forum on OCIPs," on Thursday. He is a senior vice president at R.J. Griffin & Company, Inc., in Atlanta. His areas of responsibility include managing a large deductible workers compensation program, evaluating and establishing subcontractor insurance requirements, developing and implementing corporate safety programs, and establishing and monitoring subcontractor safety requirements.

He previously was a vice president of a risk management consulting firm focused on construction industry accounts. He has more than 14 years of experience in safety and risk management and has worked on the insurer, broker, and insured side of the business.

Mr. Hicks holds a bachelor of science degree in Industrial Engineering from Southern Polytechnic State University. He is a member of the Atlanta Safety Council.

Diane M. Bureman, CPCU, ARM
Vice President
The Lockton Companies

Ms. Bureman, a panelist for Workshop U, "Forum on OCIPs," on Thursday, is a vice president of Lockton Companies in Kansas City, MO. She specializes in overall management of insurance programs for national contractors. She is involved in all aspects of the client's insurance program—alternative risk financing studies, coverage analysis, marketing, claims coordination, contract reviews and negotiations, and problem resolution.

She has over 30 years of experience working with insurance, with more than 17 of those years dedicated to the construction industry. She has also served as director of risk management for a construction firm in Texas. This gives Ms. Bureman a unique perspective, having worked with or for many participants in the construction process—owners, general contractors, and subcontractors.

Ms. Bureman holds CPCU and ARM designations from the Insurance Institute of America. She has actively participated in the development and presentation of construction-related seminars.

Notes

This file is set up for duplexed printing. Therefore, there are pages that are intentionally left blank. If you print this file, we suggest that you set your printer to duplex.

FORUM ON CONTROLLED INSURANCE PROGRAMS

What Are They?

- ❖ Alternative purchasing strategy
- ❖ Master job-site insurance program

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graph TD; CIP((CIP)) --> OCIP[OCIP]; CIP --> PCIP[PCIP]; CIP --> CCIP[CCIP]; CIP --> RCCIP[RCCIP]; CIP --> ROCIP[ROCIP];
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The diagram illustrates the relationship between Controlled Insurance Programs (CIP) and various types of insurance programs. At the center is the acronym 'CIP' in red. Five red arrows radiate from this central point to five surrounding acronyms: 'OCIP' (top-left), 'PCIP' (top-right), 'CCIP' (bottom-left), 'RCCIP' (bottom-right), and 'ROCIP' (bottom-center). This indicates that CIP is a central concept that branches into these five specific program types.

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Workshop U

Preconstruction

- ❖ Is It Feasible?
 - Marketplace conditions
 - Jurisdictional regulations
 - Size
 - Location(s)
 - Contractor(s)
 - Will it save money?

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Preconstruction

❖ Goals and Expectations:

- What are the goals?
- Who wants control?
- PCIP

Preconstruction

❖ Program Design:

- Carrier stability
- Coverages
- Exclusions
- Limits
- Deductibles
- Off-site coverages required
- Coordination of insurance programs—exclusionary endorsements

Unit 12 IRMI Conference ppt***

Preconstruction

- ❖ Contract Documents:
 - Bid documents
 - Contract—terms and conditions

Unit 12 IRMI Conference ppt***

Preconstruction

- ❖ Qualification of Service Providers:
 - CIP manager
 - Loss control
 - Medical services
 - Claims management
 - Contractor

Preconstruction

❖ Safety Program:

- Preplanning
- Contractor experience
- Government regulations
- Project regulations
- Incentives

❖ Claims Management:

- Establish procedures
- Light duty—return-to-work program
- Cost containment
- Claim reviews

Slide 12 IRMI Conference ppt***

During Construction

❖ Administration:

- Enrollment enforcement
- Payroll reports
- Certificates of insurance
- Close out—true up
- Verify deducts

❖ Safety Compliance:

- Prime-to-sub communication
- Sub to sub-sub communication

Slide 13 IRMI Conference ppt***

During Construction

- ❖ Claims Management:
 - Experience modification
 - Claim reviews

- ❖ Communication:
 - Progress reports
 - Subcontractor education

Postconstruction

- ❖ Warranty Work:
 - Still on site
 - Completed contract

- ❖ Termination:
 - Early termination
 - Certificates of insurance

Postconstruction

- ❖ Claims Management:
 - Claim reviews
- ❖ Administration:
 - Cradle to grave
 - Early buy out

June 12 IBM Conference ppt***

Conclusion

- ❖ Communication is the key.

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