



IRMI[®]

Preconference Workshop 6

CONTRACTUAL RISK TRANSFER

Presented by

**David M. O'Haren
Executive Vice President
Holder Construction Group, LLC**



**BRIDGING THE GAP IN
AN UNCERTAIN ECONOMY
DEMANDS A HIGH LEVEL
OF SURETY EXPERTISE.**

Today, you can't afford to rely on just any surety relationship. Surety companies are asking tougher and more probing questions and demanding complete, detailed support data. You must be knowledgeable, prepared and confident in the areas of business plans, financial strategies, risk management and project legalities. There is one company with unequalled expertise and far-reaching services that can flawlessly present you to the surety companies. A company that will put your mind at ease. That company is Lockton. Call and let us demonstrate the vast extent of advantages we can provide to help you bridge the gap.



LOCKTON

www.lockton.com

Atlanta · Chicago · Dallas · Denver · Hartford
Houston · Irvine · Kansas City · Los Angeles
New York · San Diego · San Francisco · San Jose · St. Louis

David M. O'Haren
Executive Vice President
Holder Construction Group, LLC

Mr. O'Haren is a panelist for Monday's Preconference Workshop 6, "What's Hot in Construction Risk Management?" He is an executive vice president of Holder Construction Company in Atlanta, where he leads the company's Risk Management Department. He has been with Holder Construction Company for 15 years. In his current position, Mr. O'Haren is responsible for a nine-member risk team that handles safety, loss control, property and casualty insurance, contract administration, and other operational risks. In addition to other operational initiatives, Holder's risk team has implemented a rolling CCIP program and a rolling Subguard program in the last several years.

Prior to joining Holder, Mr. O'Haren was an auditor with a national public accounting firm where he earned his CPA certificate. His primary focus included audit clients in the real estate and construction businesses.

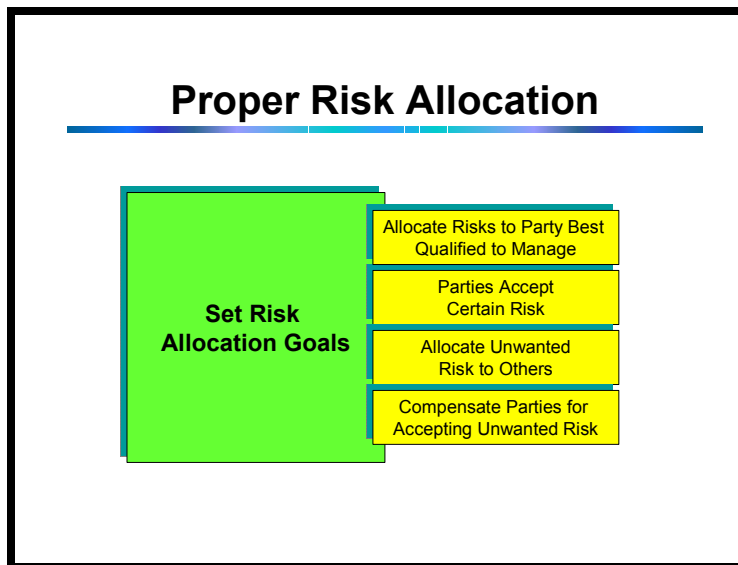
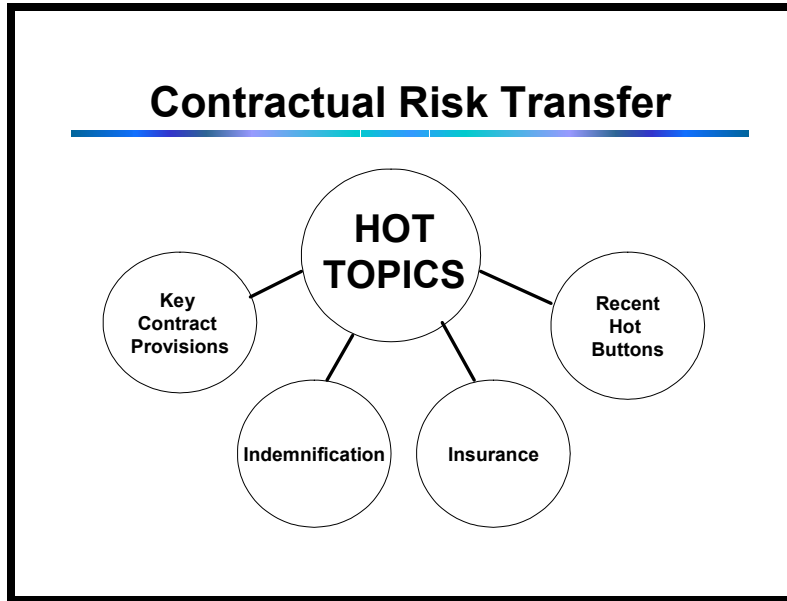
Mr. O'Haren is a member of the board of directors of the Georgia Branch—AGC, where he currently serves as treasurer. He is a member of the United States Green Building Council—Atlanta Regional Chapter and the Construction Education Foundation of Georgia (CEFGA), where he currently serves as president. In addition, he is on the national committees of Safety and Health and Risk Management for the Associated General Contractors of America. Mr. O'Haren formerly served as president of Project Safe—Georgia. He is active in civic and local community activities.

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.

CONTRACTUAL RISK TRANSFER

*David M. O'Haren
Holder Construction Group, LLC*



Major Construction Risk Transfers



Indemnity

Transfer of risk from one party to another

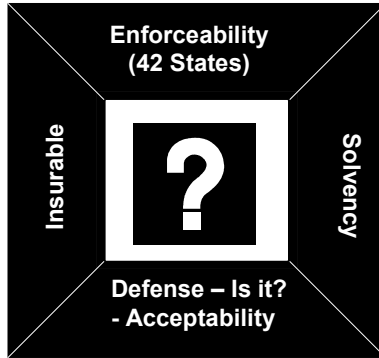
- Broad Form (Includes Sole)
- Intermediate (All Except Sole)
- Limited (Proportionate)



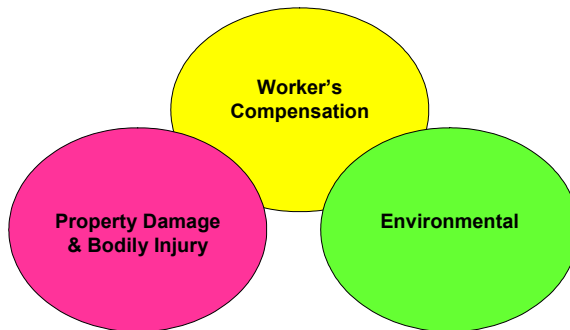
3.18 INDEMNIFICATION

3.18.1 To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by the Contractor in accordance with Paragraph 11.3, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to

Indemnity Issues



Hazards



Insurance

- Contractual Liability Insurance
- Definition of Scope of Coverage
- Additional Insureds
- Third-Party Beneficiaries
- Defense Costs
- Subrogation (Waiver of)

CGL – Contractual Liability

COMMERCIAL GENERAL LIABILITY
CG 00 01 10 01

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

ISO CG 0001 – Edition 10/01

Covers contractual liability of the contract

ISO CG 2426 – Edition 6/04

Narrow coverage where insured has an active role in the loss

Additional Insured

BROADER: ISO CG 20 10 (Edition 10/85)

- Regardless of Fault (Vicarious Liability)

ISO CG 20 10 Ed. 10-85

The endorsement for doing this was the ISO Form 2010 Edition 11/85. That endorsement is re-created below.

ADDITIONAL INSURED -- OWNERS, LESSEES OR CONTRACTORS (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

NARROWER: ISO CG 20 10 (Edition 10/01)

- Operations Performed by Insured
- Limited to Completed Work

POLICY NUMBER:	COMMERCIAL LIABILITY	GENERAL
	CG 20 10 10 01	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

Additional Insured (cont'd)

NEW ISO CG 20 10 (Edition 7/04)

Further narrows definition of:

- Who is Insured (Insured Contracts)
- Who is responsible
- When Coverage Ceases
i.e., performance of ongoing operations

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
CG 20 10 07 04 © ISO Properties, Inc., 2004 Page 1 of 1

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE
Name of Additional Insured Person(s) Or Organization(s); Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declaration.

A. Section II – Who is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf.

In the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional inclusions apply:
The insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed); or
2. The portion of your work, out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor employed in performing operations for a principal as a part of the same project.

Completed Operations

**Need to Add ISO Endorsement
CG 20 37 (Edition 7/04)**

**Includes Products
Completed Operations**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
CG 20 37 07 04 © ISO Properties, Inc., 2004 Page 1 of 1

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE
Name Of Additional Insured Person(s) Location And Description Of Completed Operations
Or Organization(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products completed operations hazard".

Recent Hot Buttons

Environmental Hazards

Rip / Tear / Rework

Financial Damages

Mold / Fungi