



THE SOCIETY OF PUBLIC INSURANCE ADMINISTRATORS OF ONTARIO

CONSTRUCTION INSURANCE & RISK MANAGEMENT
OVERVIEW

February 21,
2020

Agenda

- Construction Insurance Overview
- Project Delivery Methods
- CCDC & Supplementary Conditions
- Certificates of Insurance





CONSTRUCTION INSURANCE OVERVIEW



Construction Specific Coverages

1st Party

Builder's Risk / Course of Construction - Provides coverage for damage to property, materials and equipment that will form part of a project during the period of construction

3rd Party

Wrap Up - Protects against 3rd party bodily injury and property damage resulting from construction operations on the project

Contractors Pollution Liability (CPL) - Protects against 3rd party bodily injury and property damage resulting from a pollution condition that is exacerbated by construction operations on the project

Project Specific Professional Liability (PSPL) - Protects design firms & consultants against liability incurred as a result of errors and omissions that arise out of their professional services

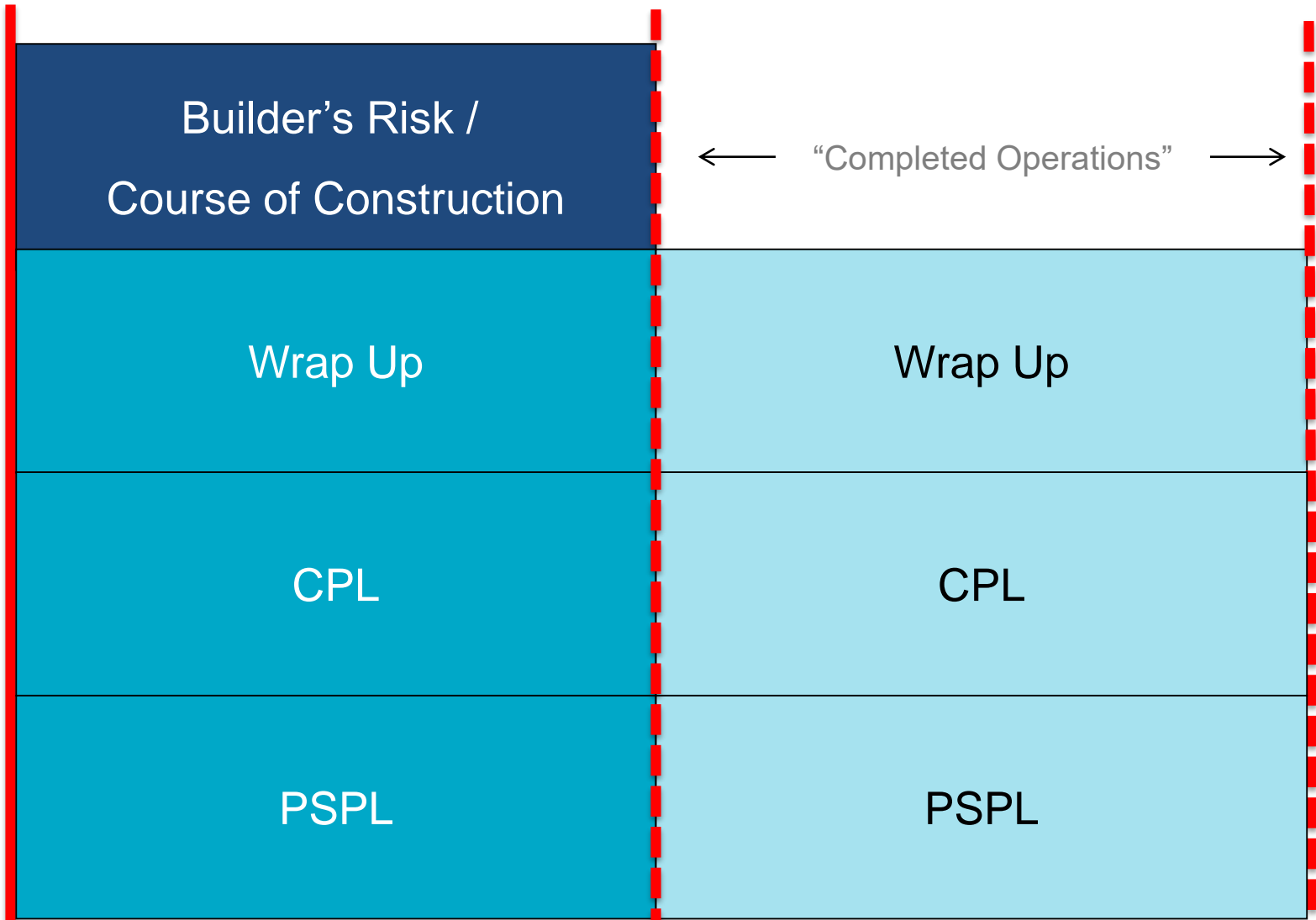


Construction Specific Coverages

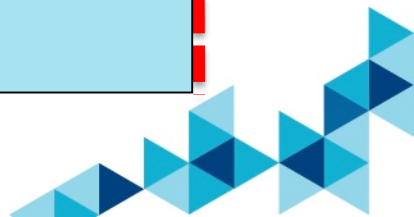
Start of Construction

End of Construction

End of Completed Operations



← "Completed Operations" →





PROJECT DELIVERY METHODS



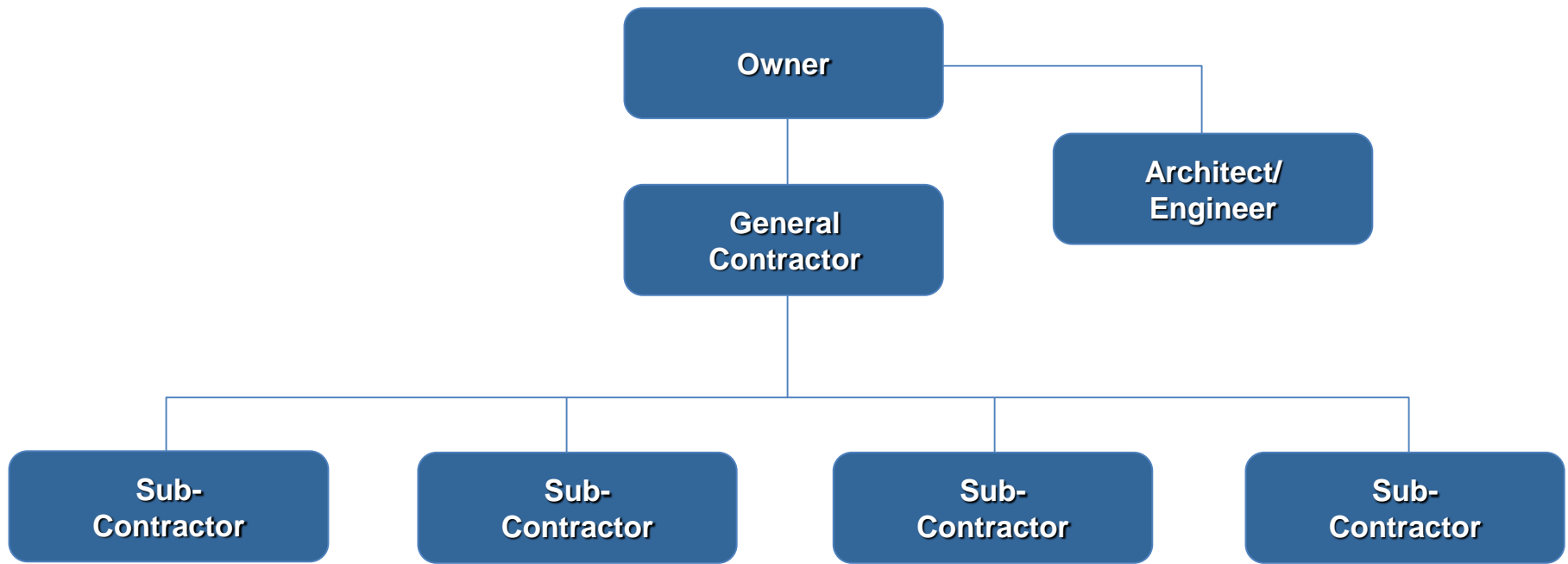
Normal Structure



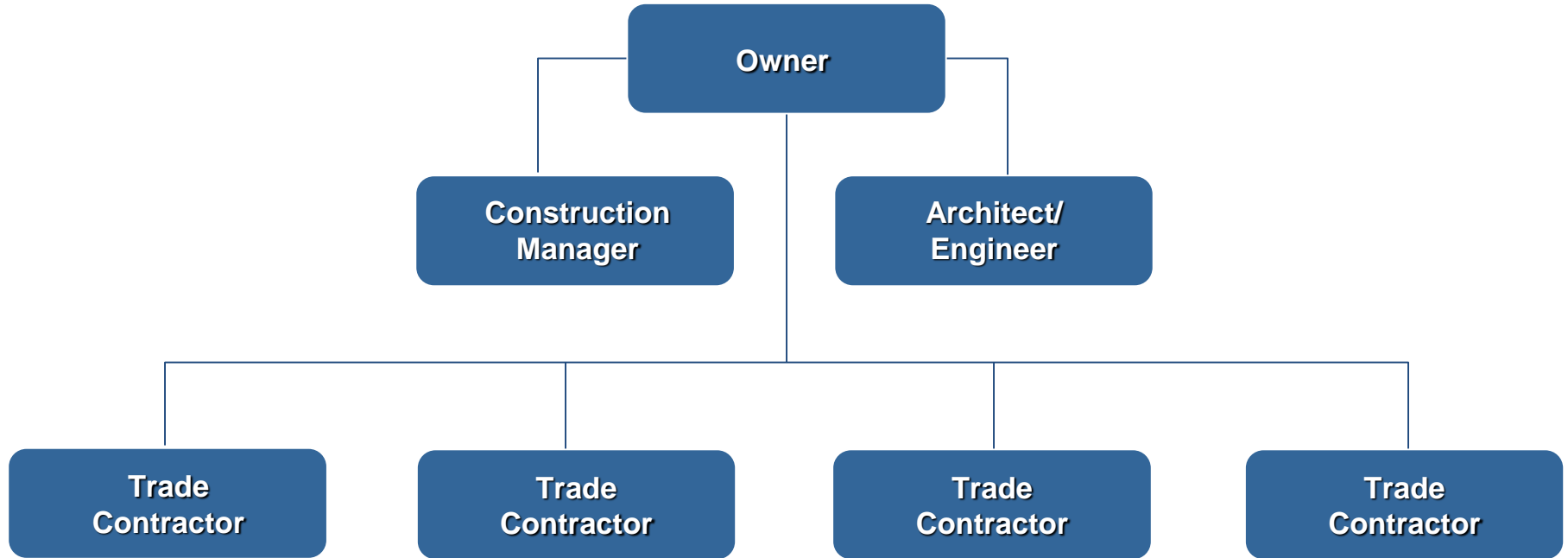
Risk is Transferred Downstream!



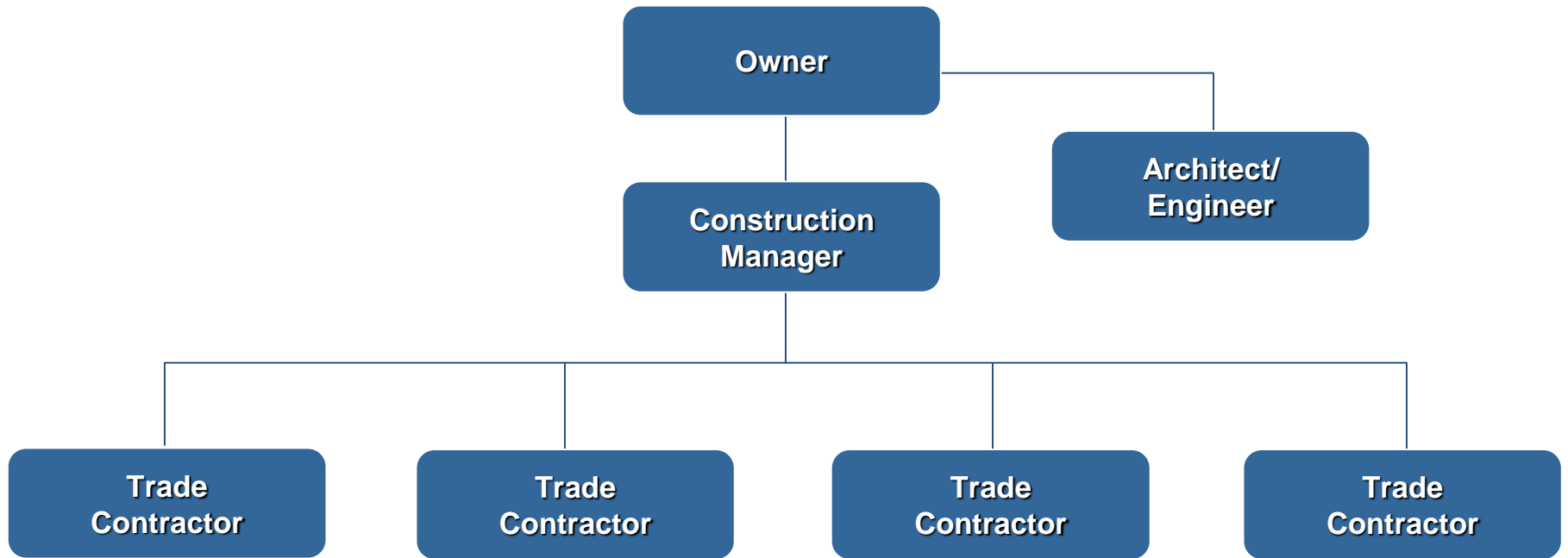
Project Delivery Methods – Design-Bid-Build



Project Delivery Methods – CM Not @ Risk

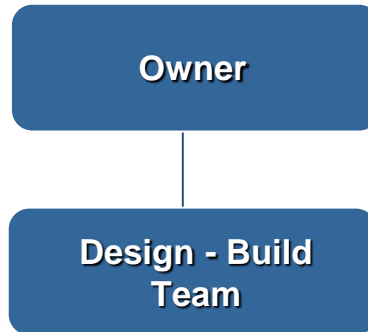


Project Delivery Methods – CM @ Risk

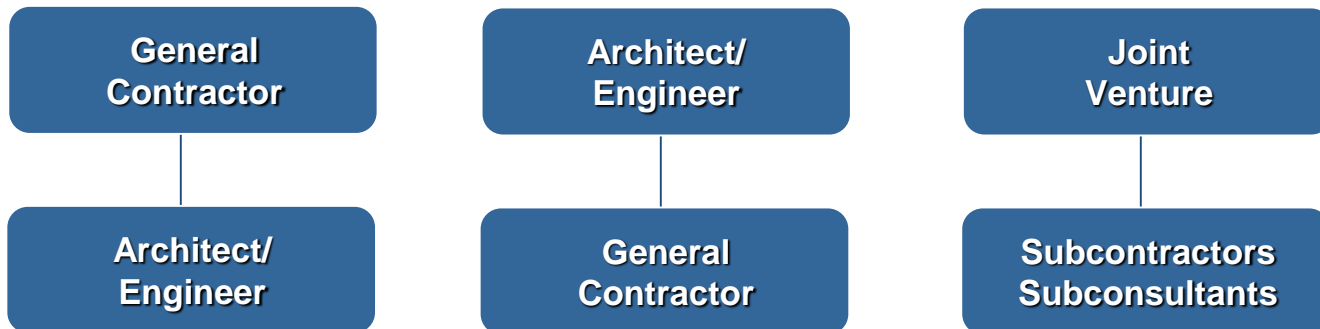


Project Delivery Methods – Design Build

Design - Build



Design - Build Team Options:





CCDC & SUPPLEMENTARY CONDITIONS



CCDC-2 (2008)

- \$5,000,000 General Liability Insurance Coverage; 6 Years Post Substantial Completion
- \$5,000,000 Automobile Liability Insurance
- \$5,000,000 Aircraft & Watercraft Liability Insurance Coverage
- Broad Form Property Insurance (*COC/BR*) @ 1.1 CV
- Boiler & Machinery Insurance (*Included in COC*) @ 1.1 CV
- Contractor's Equipment Insurance

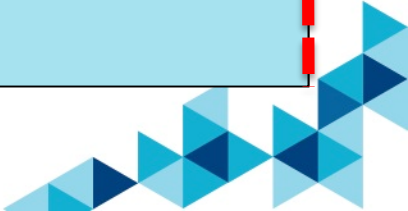
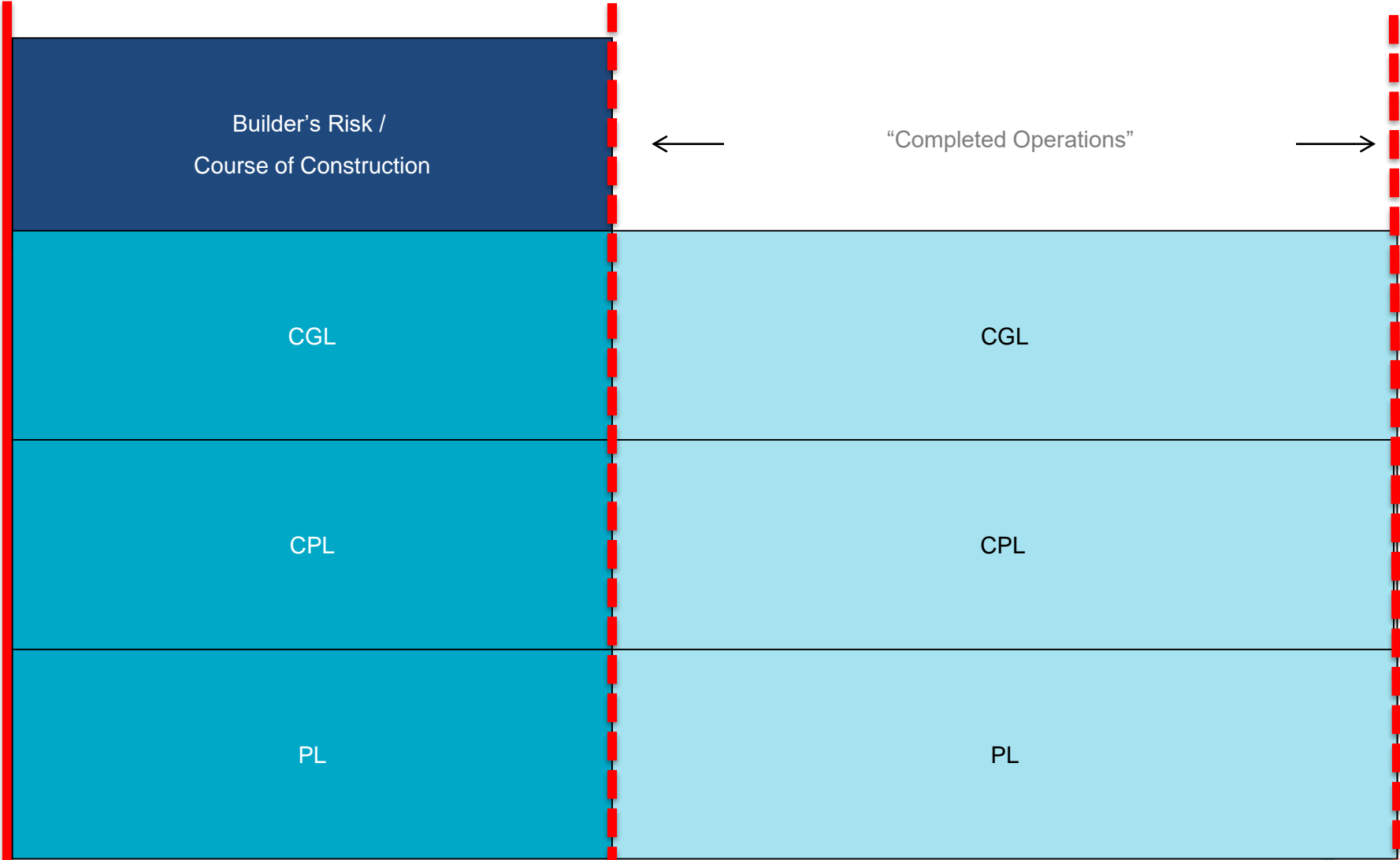


Construction Specific Coverages

Start of Construction

End of Construction

End of Completed Operations



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Supplementary Conditions

Higher
Limits

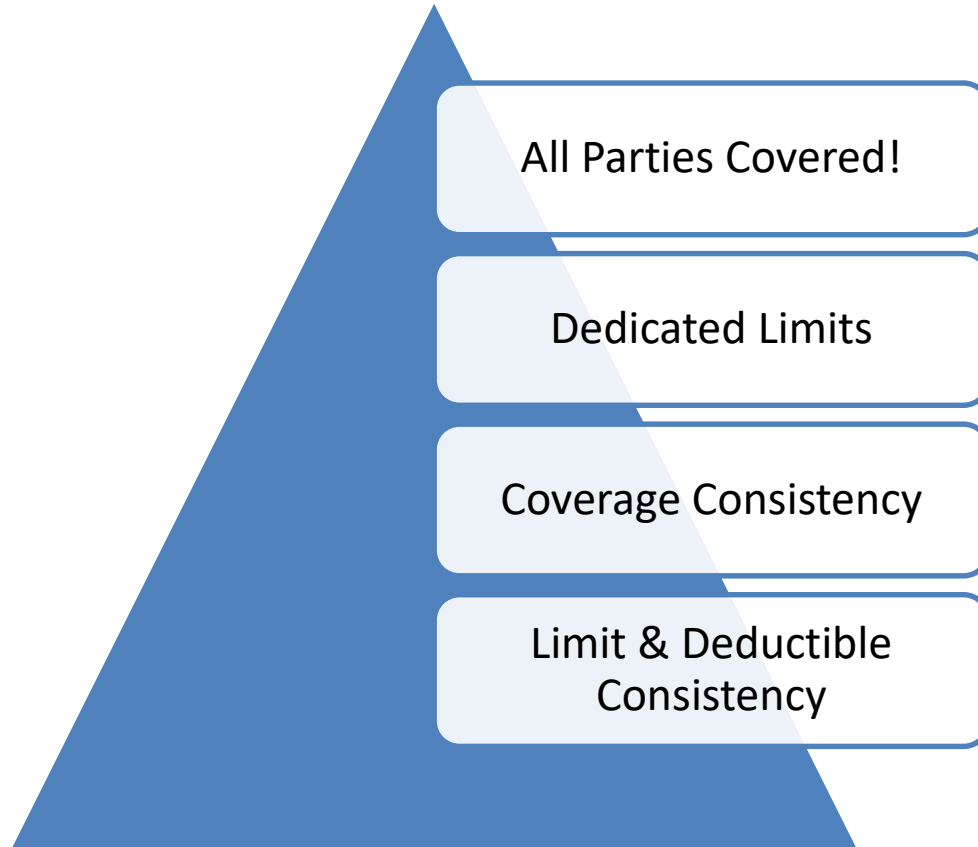
Wrap Up

PSPL

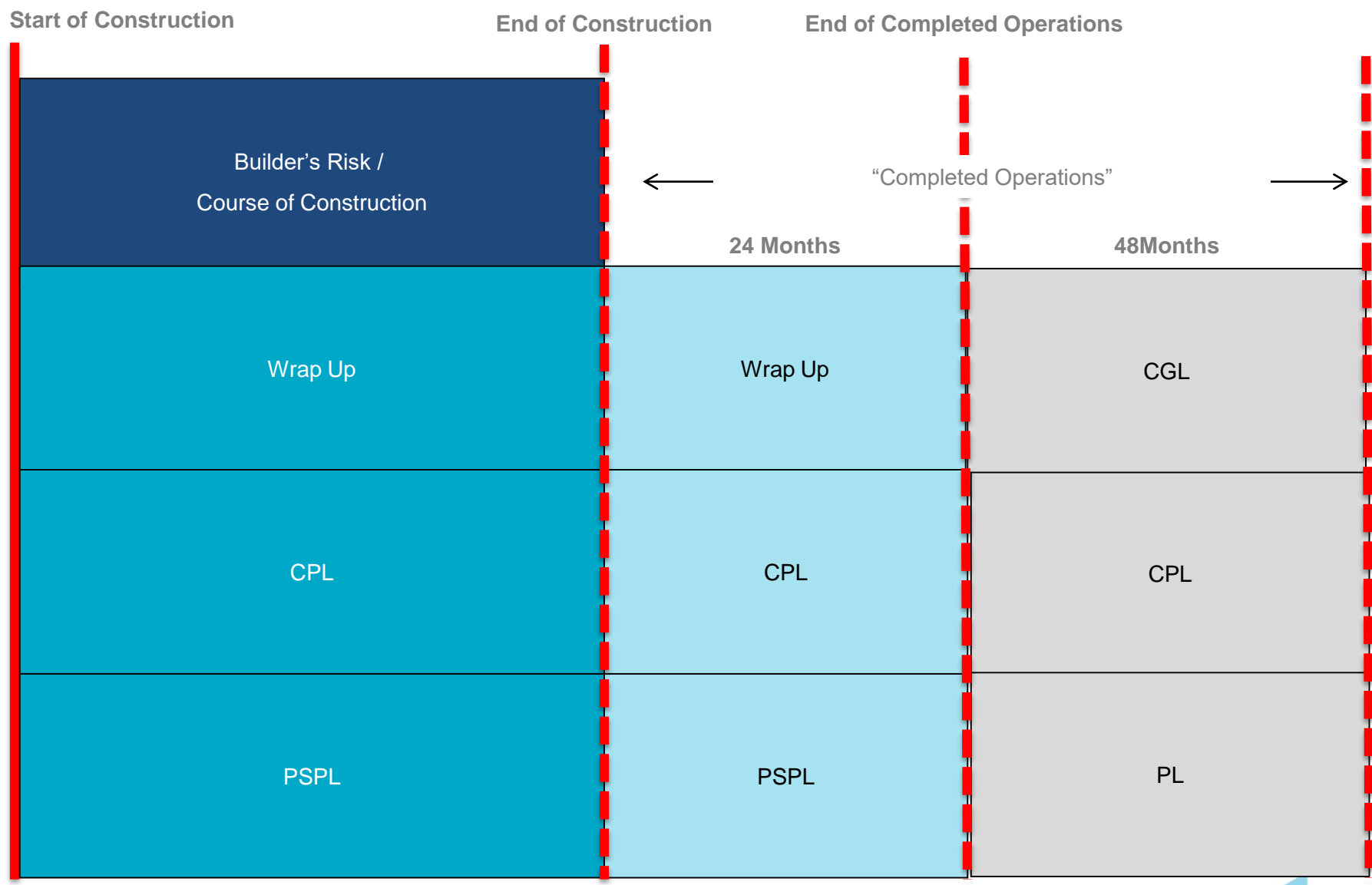
CPL



Benefits of Project Specific Insurance



Construction Specific Coverages



Certificates of Insurance

- Evidence of insurance coverage
- Valid at time of issuance
- Issued to reflect insurance requirements in contract including:
 - Limits
 - Deductibles/Self-Insured Retention
 - Additional Insured Status
 - Notice of Cancellation to Certificate Holder
 - Project Description



Takeaways

- Operational vs. Project Specific
- CCIP vs. OCIP
- Risk Appetite vs. Cost Benefit Analysis
- Best Practices
 - Engage before Tender/RFP
 - One size does not fit all
 - Look out for the back-charges
 - Contract Language is key
 - Certificates





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