

Project Insurance Comparison

CIP vs. Traditional

CONTROL	CIP	TRADITIONAL
Limits of Insurance	\$50MM per project	Shared over numerous projects of the General Contractor and Sub-contractors
Quality of Coverage	Owner Controls	<ul style="list-style-type: none"> • Additional insured status varies • Contractor limits are potentially inadequate
Stability	Carrier rights to cancel mid-term are extremely limited	Will vary by project/contractor and their insurance carrier
Claims Management	One insurer pays all claims	Potential cross-suits and litigation

SAVINGS	CIP	TRADITIONAL
Economies of scale	Reduced insurance project costs.	N/A
Benefit of Good Loss Experience	Owner benefits	Insurance Company benefits
Duplication of Coverage/Savings	Single Providers	Redundancies

PUBLIC RELATIONS	CIP	TRADITIONAL
MBE/WBE Participation	Owner Controls	Potential Barriers
Response to Claims	One Policy	Potential Delays
Prevention of Accidents	Centralized Safety Plan	Coordination can be cumbersome

GENERAL LIABILITY	CIP	TRADITIONAL
Limits	\$50MM per project	Shared
Premises Liability	Yes	Yes
Products/Completed Operations	5 Years Minimum	Will vary by contractor and Carrier
Named Insureds	Automatic for all entities	Must be added by name
Cancellation Endorsement	Restricted to non-payment of premium and arbitration board	Will vary by contractor and Carrier
Notice of Occurrence	Broad	Could deny coverage
Waiver of Subrogation	Included	Must be requested on a specific basis
Medical Malpractice	Covered	Typically excluded
Contract Railroad Liability	Covered by Contract	Excluded
For-Sale Residential	Covered	Very often may be excluded



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WORKERS' COMP	CIP	TRADITIONAL
Statutory Limits	Yes	Yes
Employer's Liability	\$1,000,000	Typically \$500,000 but will vary by contractor
U.S. Longshoremen Coverage	Yes	Typically excluded
Maritime Coverage	Yes	Typically excluded
Repatriation Coverage	Yes	Typically excluded
Named Insured	Yes – All Subs	By policy
Voluntary Compensation	Yes	Typically excluded
Alternate Employer	Yes	By Endorsement

EXCLUSIONS	CIP	TRADITIONAL
Asbestos	Excluded	Excluded
Mold/Fungus	Excluded	Excluded
Pollution	Excluded except for Hostile Fire	Excluded
Nuclear Energy	Excluded	Excluded
Employment Practices Liability	Excluded	Excluded
Engineers' and Architects' Liability	Excluded	Excluded
Fellow Employees	Included for Supervisors	Excluded
EFIS Exclusion	Excluded	Excluded

