



## STATEWIDE EDUCATIONAL WRAP UP PROGRAM

### Marin CCD

#### Owner Controlled Insurance Program

#### *Frequently Asked Questions*

### **How to identify your insurance costs to exclude from your bid and instructions for completing your OCIP Enrollment Form 'Post Bid'**

**Q: What are my insurance costs based upon?**

**A:** The District will be providing workers' compensation, general liability, contractor's pollution liability and builder's risk coverages. All bids received must exclude cost based on these provided policies. We understand that the costs will have to be estimated based on your scope of work and your estimated labor costs. The same will apply to each of your subcontractors who shall provide you with bids 'net of insurance'. Those who do not bid net of their insurance cost may not be competitive.

The following questions and 'sample' form is meant to assist you in identifying your insurance costs. Once you have been awarded a contract; all required enrollment forms shall be submitted within 10 days of award and prior to on-site construction activities.

**Q: Will the insurance information that my firm provides upon enrollment be used in any way for solicitation?**

**A:** The information that your firm provides is kept confidential and in no way will it be used or sold to solicit business from your company nor will your insurance cost information be shared with your competitors.

**Q: How do I complete the 'Workers' Compensation' Section?**

**A:** Please review the sample on the last page of this document.

**Q: Where do I find the Workers' Compensation Class Code(s) and Rate information?**

**A:** You can find this information on your Workers' Compensation Policy Declarations Pages (first few pages of your policy), on the State Fund monthly payroll report form, if applicable, or by contacting your Broker/Agent.

**Q: How do I calculate the on-site straight time payroll?**

**A:** The on-site straight time payroll is the base pay for each particular labor classification. In the attached Sample, the company estimates that it will take their apprentice plumbers 150 hours to complete the job. If these apprentice plumbers make \$25.00/hr, you would multiply this by 150 hours, which totals \$3,750.00 in payroll ( $150 \times \$25.00 = \$3750$ ).

**Q: How do I calculate the WC Premium?**

**A:** You will multiply the on-site straight time payroll by the WC rate and divide by 100. In the example below,  $(3750 \times 15.15) / 100 = \$568.125$  (rounded up = \$568.13)

**Q: How do I calculate the modified premium?**

**A:** Multiply the Workers' Compensation Experience Modifier by the total WC premium. In the example below,  $.80 \times \$1030.13 = \$824.10$

**Q: What do I put in the plus/minus rate deviations or premium credits column?**

**A:** This information can be found on your Workers' Compensation Declarations Pages or by contacting your Broker/Agent. This does not apply to every contractor and can be left blank.



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**Q: Where do I find the General Liability rate?**

**A:** You will find this on your General Liability Policy Declarations Pages (first few pages of your policy) or by contacting your Broker/Agent. Please note that you may have multiple rates, i.e., a premises-operations rate and a completed-operations rate or you may have GL rates based on your labor classifications, such as one for apprentices and one for journeymen. If you have multiple rates, please add these rates together. Example: premises-ops rate = \$6.25 per \$100 of payroll and completed-ops rate = \$4.50 per \$100 of payroll, the total GL rate to be listed on the Contractor Profile is \$10.75 per \$100 of payroll.

**Q: How do I calculate the General Liability premium?**

**A:** Per the example below, if the GL rate is \$5.25 per \$100 of payroll, the premium would be \$472.50.  $(\$9000 \text{ (estimated payroll in WC section)}/100) \times \$5.25 = \$472.50$ . An example based on contract value is: contract amount is \$25,000:  $(25,000/100) \times 5.25 = \$1312.50$

**Q: I don't have an Excess Liability or Umbrella Policy, how can I complete that section?**

**A:** Please write 'N/A' in this section if this applies.

**Q: How to I estimate my Builder's Risk Costs?**

**A:** This is normally done through your insurance broker/agent who can give you a Builder's Risk quote for your scope of work on the project site.

**Q: What do I put for Margin Factor?**

**A:** Margin Factor is your profit or mark-up amount.

**Q: I expect to use multiple subcontractors; can I attach a subcontractor list instead of completing the section on page 3?**

**A:** Yes. You may substitute a typed or handwritten list instead of completing this section.

**Q: I just renewed my policies and don't have rate pages and/or certificate of insurance, will this keep me from getting enrolled?**

**A:** No; however, we ask that you contact your Broker/Agent to provide you with proof of coverage and rates on company letterhead. Once your certificate of insurance and policy are received, please forward your rate pages and certificate to the Program Administrator.

**Q: Why do I have to provide my Broker/Agent information?**

**A:** We ask for this information, so that if you request us to do so, we can contact your Broker/Agent for information that you are unsure of, i.e., General Liability rate, etc.

PROJECT  
NAME: \_\_\_\_\_

CONTRACTOR NAME: \_\_\_\_\_

Each Contractor and Subcontractor of every tier is required to submit a list of job/WC classifications and their respective estimated payrolls and man- hours for all employees that will be working at the project site. This information must be submitted for each contract /bid package. If this applies to your firm, please contact the SEWUP Department for a Supplemental Contractor Enrollment Form. Payroll Records are subject to audit by the Owner's Workers' Compensation and General Liability insurance carrier.

WORKERS' COMPENSATION SECTION					
Description of Work	WC Class Code	On-Site Man-hours	On-Site Straight Time Payroll	WC Rate \$100/Payroll	WC Premium
Plumber <\$22/hr.	5183	150	3750	15.15	\$568.13
Plumber >\$22/hr.	5187	150	5250	8.80	\$462.00
	<b>Totals</b>	300	\$9,000		\$1030.13
Modified Premium is:					
Total Premium X Experience Modifier		Experience Modifier: .80		Modified Premium:	\$824.10
Plus/Minus Rate Deviations or Premium Credits				Credit/Deduction:	\$N/A
<b>Total Workers' Compensation Insurance Cost</b>					<b>\$824.10</b>
Workers' Compensation Insurance Carrier					
Name:		ABC INSURANCE CO			
Policy No:		ABC-12345		Policy Term: 01-01-07 TO 01-01-08	
Workers' Comp Bureau ID No:		123456		Anniversary Rating Date: 01-01-08	
General Liability Section					
General Liability Insurance Carrier					
Name:		DEF INSURANCE CO.			
Policy No:		DEF-5566		Policy Term: 01-01-07 TO 01-01-08	
Aggregate Limit:		\$2,000,000		GL Policy Deductible \$100,000	
		Per Occurrence \$1,000,000		Products & Comp/Ops \$1,000,000	
GL Rate:		\$5.25 <input type="checkbox"/> Per \$1000		Based On: <input checked="" type="checkbox"/> Per \$100 <input type="checkbox"/> Receipts <input type="checkbox"/> Payroll	
<b>Total General Liability Insurance Cost</b>					<b>\$472.50</b>
Umbrella/Excess Liability Section					
Provide your current Umbrella/Excess Liability Carrier					
Name:		If applicable			
Policy No:		Policy Term:		TO	
Policy Rate:		\$		Based On: <input type="checkbox"/> Receipts <input type="checkbox"/> Payroll <input type="checkbox"/> Other	
<b>Total Umbrella / Excess Liability Insurance Cost</b>					<b>\$</b>
<b>Builder's Risk Quote</b>					<b>\$1,500</b>
<b>Total of All Insurance Costs</b>					<b>\$2,796.60</b>
<b>Margin Factor (Apply your Mark-Up Against Current Cost)</b>					<b>\$ 15% (if applicable)</b>
<b>TOTAL INSURANCE COST (After Mark-Up)</b>					<b>\$3216.09</b>

# ***An Owner Controlled Insurance Program (OCIP) Through The Statewide Educational Wrap Up Program (SEWUP)***

## ***Frequently Asked Questions***

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Following is a summary of frequently asked questions that we've compiled to help answer some specific questions that may be asked.

**1. Who is insured under an Owner Controlled Insurance Program?**

The District and all enrolled Contractors and their enrolled Subcontractors of any tier who perform operations at the Project Site described in the Contract Documents are insured under the OCIP

**2. Is Project Site Defined?**

Yes. Project Site is on file with the insurance company as described in the applicable Contract Documents.

**3. What insurance is provided to Contractors/Subcontractors under the OCIP Project Insurance Program?**

The Owner has agreed to procure the following insurance:

- a. Workers' Compensation and Employer's Liability
- b. General Liability Insurance (includes 10 years Completed Operations term, liability from off-site operations arising out of contract under OCIP, Bi/Pd coverage during warranty period)
- c. Builder's Risk (includes off-site/in transit coverage & temporary forms/scaffold)
- d. Contractor's Pollution Liability 'course of construction' (includes mold)

**4. Does the Project Insurance Program cover any contractors' equipment?**

No. Contractors and Subcontractors must maintain this coverage.

**5. Are there other types of insurance normally purchased by Subcontractors, which are not included?**

Yes. Examples are:

- a. Bonds, if required by contract
- b. Contractor's Automobile Liability and Physical Damage Insurance
- c. Contractor's Equipment Floater

**6. Does the Contractor/Subcontractor insured under the OCIP have to provide evidence of any insurance?**

Yes. The contract requires that prior to beginning work, each Contractor/Subcontractor shall furnish a Certificates of Insurance evidencing coverage for off-site Bodily Injury and Property Damage Liability insurance, Workers' Compensation and any other required coverages outlined in the Contract and the project insurance manual. It will also require an additional insured endorsement for Automobile Liability; as this is not covered by the OCIP.

**7. How is the Contractor/Subcontractor's bid to be submitted?**

The Contractor/Subcontractor needs to submit its bid excluding certain insurance costs as outlined in the Contract. Change Orders also need to be submitted without insurance costs.

**8. When will the Contractor/Subcontractor receive a Certificate of Insurance insuring them under the OCIP?**

Contractor/Subcontractor awarded a contract will be furnished Certificate of Insurance upon Keenan & Associates receiving completed Enrollment Form.

**9. Will all Contractors/Subcontractors receive information concerning their loss experience?**

Yes. Upon request, Insurance carrier will furnish loss information when requested from Keenan & Associates.

**10. How long are the policies kept in-force for the Contractor/Subcontractor?**

The policy periods commence on the date of "Award" and terminate as defined in the Contract Documents. The only extension is for "Completed Operations" which is for ten (10) years after Notice of Completion filed by the District.

**11. Does the OCIP provide coverage for truckers, vendors and suppliers?**

No. Subcontractors, whose sole duties are as truckers are not included in the program. Suppliers/Vendors also are not included in the program. If contracted with an on-site installer, suppliers/vendors should be enrolled in the OCIP General Liability only as it pertains to the contractual relationship of the installer's on-site work.

**12. Is each Contractor and Subcontractor of any tier required to complete and submit their own forms before they will be allowed to begin job site activity?**

Yes. Completion of the insurance forms and receipt of a Certificate of Insurance from Keenan & Associates is a requirement before any Contractor or Subcontractor of any tier is permitted to perform work on the project.

**13. Is there a Project Safety Program, which must be followed?**

Yes. The program is incorporated into the Contract Documents. Subcontractors of all tiers are bound by the Contract to adhere to this program.

**14. What document do I use to show my Agent/Broker and Insurer that I'm covered under the OCIP?**

All contractors enrolled under the OCIP program receive individual workers' compensation policies and Certificates of Insurance evidencing coverage under the OCIP program.

## Workers' Compensation and Employers' Liability Insurance

- 1. What insurance company writes the Workers' Compensation and Employer's Liability coverage?**  
Zurich American Insurance Company.
- 2. What is the coverage term?**  
The coverage terms for each Contractor will coincide with the Start Date provided at OCIP enrollment. OCIP policies are renewed each year until OCIP closeout, unless otherwise stated.
- 3. How will the Contractor/Subcontractor's payroll be classified?**  
Insurer will classify payrolls in accordance with California law under the Workers Compensation Insurance Rating Bureau Rules, Classifications, Rates and Rating Plans. The Monthly Project Site Payroll Form will be used for Contractors/Subcontractors' monthly payroll submissions.
- 4. Will Keenan & Associates inspect the job and make recommendations regarding loss control and safety?**  
Yes. Keenan & Associate's safety and loss control professionals will make regular inspections of the job site, lend assistance, and make recommendations and suggestions.
- 5. Will there be other people who will make job site inspections?**  
Yes. The insurance company (Zurich) safety representative may conduct periodic site safety inspections to assure compliance with the Project safety regulations and State requirements. State, City and Federal inspectors may also make inspections.

## General Liability Insurance

- 1. Which insurance company writes the Personal Injury, Bodily Injury, and Property Damage Liability coverage?**  
Zurich American Insurance Company.
- 2. Is Completed Operations coverage provided beyond acceptance of the work performed under the Contract?**  
Yes. The extension for "completed operations" is for ten (10) years upon Notice of Completion filed by the District.