

CONTRACTUAL RISK TRANSFER IN HALF THE TIME

ENERGIZING RISK MANAGEMENT
PRIMA'S 2015 ANNUAL CONFERENCE

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WHY?

- > Avoid confusion & disagreement after loss
- > Transferee can handle the risk better
- > Protect insurance or self-insurance program
- > Because transferor can!

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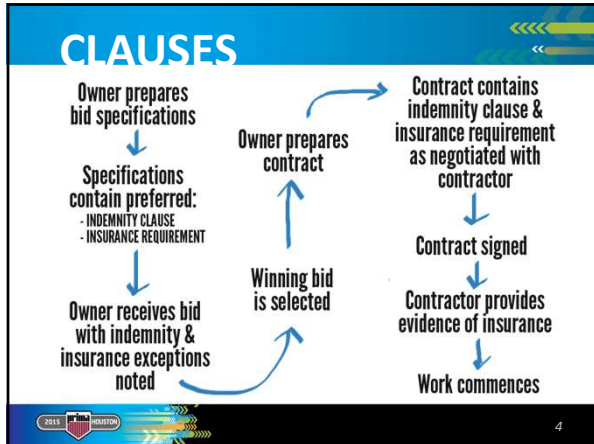
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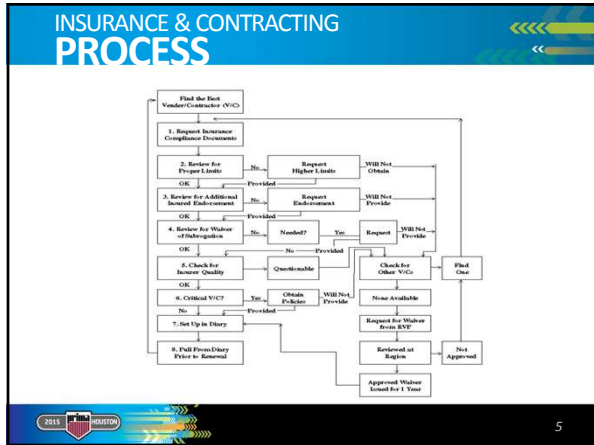
UNIQUE FEATURES

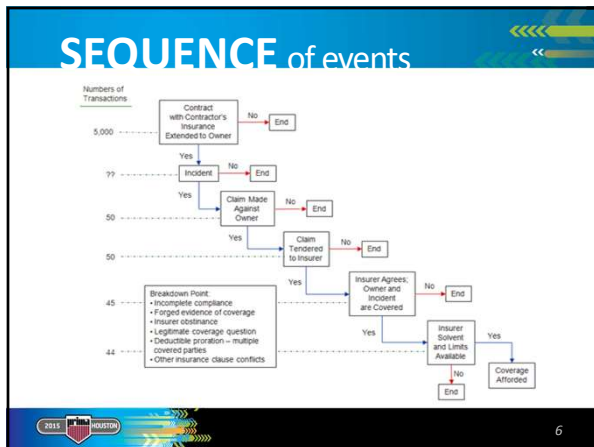
Insurance	Indemnity
> Three Party	> Two Party
> Very little negotiation	> Technical/Legal
> Different coverages	> Contract Obligation
> Limits	> Negotiable
	> Subject to Anti-Indemnity Statutes

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RISK MANAGEMENT CHALLENGE

- > How stringent are insurance requirements?
- > How strictly will we monitor compliance?
- > Who is going to do this work?

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SAVING TIME / TAKING RISKS

- > Use Terms of ART, circa 2011
- > Accept standard forms
- > Eliminate the impossible
- > Avoid the impractical
- > Know relevant statutes
- > Seek excellence, not perfection

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UPDATE TO TERMS OF ART

- > Commercial General Liability Insurance

 { Public liability and property damage
With Broad Form Property Damage
XCU exclusions deleted
Cross Liability Endorsement
With a combined single limit of ...

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STANDARD FORMS

- > ACORD Certificate
- > Additional Insured Endorsements
- > OCP Policy Alternative

 { Manuscript Certificates or Endorsements
Strike-over wording on standard forms

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ELIMINATING IMPOSSIBLE

- > Such insurance shall cover **all liabilities** assumed in the indemnity provision...
- > At Owner's discretion, Contractor shall secure an endorsement **waiving** the deductible or self-insured retention
- > Owner shall be **added as an insured** on Contractor's workers' compensation insurance

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AVOIDING IMPRACTICAL

- > Compliance and evidence from subs
- > 90 days notice of cancellation
- > Additional insured status on auto or professional liability
- > Owner approves defense counsel
- > Additional insured: **CG 20 10 11 85**


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SEEKING EXCELLENCE

- > Design compliance to minimum acceptable
- > Clear and enforceable indemnity
- > Review verbiage & laws annually
- > Measure performance
 - Review compliance time
 - Claims tendered
- > Take risk


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Communities At Work...Instantly



2015 Finish Line 9,000+ Brokers

2010 97% Self-Service Rate

2000 My broker hates me! Why can't you just support the artist?

1990 This process takes 6 months

2015 Wait Time: Up to 30 seconds

2010 Wait Time: 4-8 weeks

2000 Wait Time: 6 months

1990 Wait Time: 6 months

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The Self Service Electronic Insurance Compliance Network

24/7

Instant Insurance Approvals

Brokers

Contractors

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ACORD Innovative Insurance

Public Risk Management

Certificate submitted successfully. An email notification of the approval has been sent.

Client Certificates		
Leak ID	Date	Insured Party
Leak #23423	Oct 21 2014	California Carriage Company
Leak #23534	Aug 7 2014	Cassandra Thomas
Leak #28628	Jun 29 2013	Cassandra Thomas

9,000+ Members

SOME DAYS YOU'RE THE BUG. SOME DAYS YOU'RE THE WINDSHIELD.

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- > Over 9,000 brokers on board
- > 97% self-service rate

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Track4LA[®] BENEFITS continued

- > \$250,000 cost avoidance per year
- > Customer satisfaction rating 4.7 / 5.0
- > \$500,000 to \$1,000,000 in productivity/time savings
- > Paperless

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The City of Los Angeles has gone from being one of the worst public entities in the Country to deal with, in regard to insurance compliance, to one of the very best.
