



**NY Power
Authority**

**Canal
Corporation**

NYPA Insurance Overview and Owner Controlled Insurance Program

August 31, 2020

Commercial General Liability Insurance Overview

- **When does a CGL policy apply?**
 - CGL applies when a person insured under your policy is involved in a covered incident during your company's operations. Covered incidents include accidents on your premises or at your worksite, damage resulting from your sale of products or your completed work off-premises, and personal or advertising injury arising out of your company's operations.
 - CGL does not cover damage to your property, premises you own, or injuries to your employees
- **What is personal and advertising injury?**
 - Personal and advertising injury involves damage arising from false arrest, detention, or imprisonment; wrongful eviction, entry, or invasion of privacy; slander or libel; oral or written violation of privacy; and the infringement of your advertisement on another's copyright, trade dress, or slogan.
- Depending on business needs, a company may need to name other companies or persons as "additional insured" under their commercial liability insurance policy. This is common when businesses enter a contract with another entity. For example, if a contractor enters a contract with NYPA to provide repair services for NYPA's facility, NYPA requires the garage owners to add NYPA as "additional insured" on their commercial general liability coverage.
- There are two types of CGL policies—a claims-made policy that covers claims regardless of when the event took place, and an occurrence policy where the event must take place during a set period.

Commercial Insurance FAQ's

- **What is professional liability insurance, and do I need it?**
 - Professionals such as accountants, engineers, lawyers and real estate professionals use this insurance to protect themselves against claims of negligence or malpractice.
 - Professional liability insurance (PLI), also referred to as professional indemnity insurance (PII) or errors & omissions (E&O), is a type of liability insurance often used by businesses to prevent having to bear the full cost associated with a negligence claim.
 - Professionals who have expertise in a specific area require this type of insurance because general liability insurance policies does not offer protection against claims arising out of business or professional practices such as negligence, malpractice, or misrepresentation.
- **What is pollution liability insurance, and do I need it?**
 - The need for pollution liability insurance is evident for companies whose business involves risks to hazardous waste exposure, such as asbestos abatement or waste depository.
 - Pollution insurance is a type of insurance that covers costs related to pollution. This can include the costs of brownfield restoration and cleanup, liability for injuries and deaths caused by pollution.
 - Most broad commercial general insurance or property insurance policies (BOP's), contain an "absolute pollution exclusion" and thus rarely cover pollution, although there may be limited pollution coverage.
- **How does an umbrella/excess insurance policy work?**
 - The umbrella policy sits over the top of underlying insurance policies and provides an extra layer of liability insurance. Generally, Umbrella policies can be utilized as a way of meeting liability insurance requirements.
 - NYPA accepts umbrella/excess policies to fill in coverage gaps, however it is important that the policy if follow form. Follow Form is when an umbrella/excess policy provision follows the underlying policy as to how the provision applies
- **Am I required to have Workers Compensation coverage?**
 - It depends. You are not required to have workers compensation if you are approved for an exemption from NYS's WC board.
 - NYPA accepts the exemption form (CE-200) in place of WC coverage. The WC board site (<http://www.wcb.ny.gov>) details the parameters for any For-Profit Businesses Exemptions.



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Owner Controlled Insurance Program (OCIP)

OCIP Overview

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Insurance Provided Under NYPA's OCIP

Provided

- **General Liability** for 3rd Party Bodily Injury/Property Damage
- **Excess Liability** for 3rd Party Bodily Injury/Property Damage
- **Products/Completed Operations Liability** – 10 Years Beyond Project Completion

Not Provided

- Builder's Risk, Pollution or Professional
- Worker's Compensation
- Property of Subs (Owned, Rented, Borrowed Equipment & Materials Not Included in the Project)
- Automobile Liability
- Enrolled Subs' Off-Site Workers' Compensation & Liability Exposures
- Any excluded Sub

Who is Covered under NYPA's OCIP

Enrolled Parties

- NYPA
- General Contractor
- Eligible Subcontractors of all tiers with on site labor
- Other Parties Enrolled at NYPA's Discretion

Excluded Parties

- Hazardous Materials Contractors/Transporters
- Architects, Surveyors, Engineers, Consultants
- Vendors, Suppliers, Fabricators, Material Haulers, Truckers
- Subs Not Performing any Actual Labor on the Site and will not subcontract out any on site dedicated payroll

Awarding Contractor's OCIP Responsibilities

- Acts as Gatekeeper to ensure Subs are enrolled prior to working on site
- Utilize the “Net Bid” method for contracts all contractors exclude cost of insurance from their bids
- Awards the Subcontract and notifies Aon by creating a Notice of Award (NOA) in AonWrap
- Contractually require that Sub-subs notify Aon by also creating a NOA through the Procedure Manual
- Option to Upload in AonWrap any documents received from Subs
- Monitors Sub compliance through Aon's reports and helps Aon with noncompliant Subs

Q&A

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