

Central Puget Sound Regional Transit Authority



**Sound Move Regional Transit Projects
Seattle, WA**

OCIP MANUAL

Owner Controlled
Insurance Program

Willis of Seattle, Inc.
505 Fifth Avenue S., Suite 200
Seattle, WA 98104

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I. INTRODUCTION

Central Puget Sound Regional Transit Authority, dba: Sound Transit (herein known as Sound Transit), is providing the insurance coverage referenced below to Sound Transit Contractors, Consultants, Subcontractors, and Subconsultants of all tiers (hereinafter referred to as Participants) that are performing Work pertaining to any Sound Move construction project. This Sound Transit provided insurance is known as the Owner Controlled Insurance Program (OCIP) with the following coverages:

Commercial General Liability

Umbrella and Excess Liability

Contractors' Pollution Liability

Pollution Legal Liability

Professional Liability

Railroad Protective Liability

Builders' Risk

This OCIP manual (herein referred to as manual) provides a brief description of the OCIP, and outlines the rights and obligations of the Participants. Each Participant shall make certain that their Subconsultants and Subcontractors of all tiers receive a copy of this manual, are properly enrolled in the OCIP, and that they comply with all procedures in this manual. If the Contractors, Consultants, Subcontractors, and Subconsultants are performing Work or providing services in accordance with multiple contracts and/or subcontracts, the prime participant shall ensure that a separate and properly completed OCIP Enrollment Form is provided for each contract or subcontract (as applicable) in accordance with this manual.

Participants enrolled in this OCIP will be provided with detailed information regarding Sound Transit's loss control requirements and procedures at the Project Site, accident reporting procedures, available medical facilities, and emergency response procedures. Sound Transit, through its OCIP Manager, Willis of Seattle, Inc., will furnish each participant with the necessary claim reporting forms and certificates of insurance for the OCIP.

The information contained in this manual is not intended to alter any provisions of the actual contract documents entered into by the Participant, including insurance provisions, or the policies of insurance described herein. In the event such a conflict occurs, the contract documents and policies of insurance will govern.

Sound Transit suggests that all Participants inform their insurance agent of the content of this manual, and that each Participant make modifications to their existing insurance program to prevent duplicate insurance coverage or cost for your Work on a Sound Move Project.

A complete copy of this OCIP manual is available online. Use the OCIP link at Sound Transit Contracts webpage: <http://www.soundtransit.org/working/contracts/>

or use the link at the bottom of the page at Sound Transit's online procurement site:

<http://www.soundtransit.ebidsystems.com>

II. DIRECTORY (continued)

Donovan Hatem LLP
Two Seaport Lane
Boston, MA 02210

David Hatem, PC:
Professional/Pollution
Liability Claim Manager

Phone: 617/406-4500

Fax: 617/406-4501

E-mail: dhatem@dhboston.com

III. DEFINITIONS

For purposes of the OCIP, the following definitions apply:

Owner: Sound Transit, Union Station, 401 South Jackson Street, Seattle, Washington 98104-2826.

Project: Sound Move Regional Transit Construction Projects

Project Site: The site of construction of any Sound Transit Construction Projects in the Puget Sound area of Washington. Project Site includes the area of Work of all Consultants, Subconsultants, Contractors and Subcontractors indicated in the Engineer's Plans and Specifications, the right-of-way, areas immediately adjacent thereto, including boundaries of local streets and public easements in which all Consultants, Subconsultants, Contractors and Subcontractors perform Work under their respective Contracts. Project Site includes Contractor staging areas which have been approved in advance by Sound Transit, or its designee, and which are located in proximity to the right-of-way as described in the Sound Transit Contract with the Participant, and which are used exclusively by the Participant to perform Work under their respective Contracts for any Sound Move Project.

Risk Manager: Sound Transit's representative authorized to perform overall management of the Owner Controlled Insurance Program.

Work: Supervision, labor, material, equipment, services, and incidentals necessary to complete an individual item and the entire Contract at the Project Site and the carrying out of any duties and obligations imposed on the Participant by the Contract.

OCIP: The Owner Controlled Insurance Program under which Commercial General Liability, Umbrella & Excess Liability, Contractors Pollution Liability, Pollution Legal Liability, Professional Liability, Railroad Protective Liability and Builders Risk insurance are purchased and administrated by Sound Transit. The OCIP provides insurance coverage for Sound Transit, its Consultants, Subconsultants, Contractors and Subcontractors while they are performing Work on a Sound Move Project.

OCIP Insurance Broker: Willis of Seattle, Inc., 505 Fifth Avenue South, Suite 200, Seattle, WA 98104; P.O. Box 34201, Seattle, WA 98124.

OCIP Coordinator: Individual assigned responsibility by OCIP Insurance Broker for primary contact with Contractors/Consultants for all matters pertaining to the OCIP, after the Participant has properly completed the OCIP Enrollment Form in accordance with the requirements of the Sound Transit Contract.

OCIP Insurance Companies: American International Group, Inc. (AIG) and its subsidiary underwriting companies and Steadfast Insurance Company.

Contract: A written agreement between Sound Transit (or its designee) and a Consultant or Contractor, between a Contractor and its Subcontractor, or by and between (any tier of) Subcontractor and Sub-subcontractor.

Consultant: An individual, firm, partnership, or corporation that has a contractual obligation with Sound Transit to perform some professional service required for the completion of the Project.

Subconsultant: An individual, firm, partnership, or corporation that has a contractual obligation with a Consultant, Contractor or other Subconsultant, to perform some professional service required for the completion of the Project.

Contractor: An individual, firm, partnership, corporation or limited liability company that has a contractual obligation with Sound Transit to perform some part of the Work required for the completion of the Project, and whose principals or employees are actively performing such Work or service at the Project Site.

Subcontractor: An individual, firm, partnership, or corporation that has a contractual obligation with a Consultant, Contractor or other Subcontractor to perform some part of the Work required for the completion of the Project, and whose principals or employees are actively performing such Work at the Project Site.

Participant: An individual, firm, partnership, corporation, or any other legal entity that has contractual obligation with Sound Transit or any Consultant, Subconsultant, Contractor, or Subcontractor of any tier to perform some part of the Work required for completion of the Project, or whose principals or employees are actively performing such Work at the Project Site. To become enrolled as a Participant in the OCIP, such individual, firm, or corporation must complete all forms contained within the OCIP manual, which is incorporated into the Contract Documents as an attachment, and receive certificates of insurance from Sound Transit evidencing completion of such enrollment and acceptance as a Participant into the OCIP.

Professional Services: All professional, design and construction services including and not limited to architectural, engineering, surveying and mapping, geotechnical, environmental, archeological, traffic planning, instrumentation control, testing and monitoring, acoustics, vibration, value engineering, engineering, estimating, scheduling, constructability, design review, commissioning and startup, construction management, program management and management consultant services, including those services which fall within the scope of services under their respective agreements with Sound Transit for covered projects (whole or part of project).

Accident: An unexpected event that interrupts or interferes with the orderly progress of the construction activity in progress, and results in bodily injury or property damage.

Claim: A demand for compensation, including a benefit request for injuries or damages caused by a loss.

First Aid: Any one-time treatment, and follow-up visit for the purpose of observation of minor scratches, cuts, burns, splinters, and so forth, which do not ordinarily require medical care. Such one-time treatment and follow-up visit for the purpose of observation is considered First Aid even though provided by a physician or registered professional personnel.

IV. OCIP COVERAGE SUMMARY

Sound Transit Furnished Insurance:

Sound Transit is providing insurance coverage for itself and its Participants of every tier for Work to be performed or that may have been performed on a Sound Move Project. The OCIP does not cover suppliers, vendors, materials dealers, haulers, and transporters whose work location is off the Project Site, and/or who merely deliver and/or remove materials, equipment, or supplies to the Project Site. However, should such suppliers, vendors, manufacturers or materials dealers install their product on the Project Site, or contract with Participants to install their product, they will be covered by this OCIP. The OCIP does not include fabrication, manufacturing, or other operations of a Participant at a location away from the Project Site unless: (1) such fabrication or manufacturing is for the sole purpose of furnishing materials or equipment to Sound Transit for a Sound Move Project, and, (2) such location is designated in writing by Sound Transit or its designee as a covered location in the OCIP.

OCIP Insurance Coverage

Commercial General Liability
Umbrella and Excess Liability
Contractors' Pollution Liability
Pollution Legal Liability
Professional Liability
Railroad Protective Liability
Builders' Risk

Commercial General Liability

Coverage is written on an "occurrence" basis with the standard Insurance Service Office (ISO) 1998 or equivalent coverage form. The policy includes premises and operations coverage, and completed operations coverage extending for three (3) years after the completion of construction and acceptance of the Participant's Work by Sound Transit or its designee. This policy also covers employers liability, or Washington "stop-gap" liability, personal injury liability, and contractual coverage for liability assumed under an "insured" contract as defined by the insurance policy.

The policy does not contain exclusions for broad form property damage or for the hazards commonly known as "explosion, collapse, and underground (XCU)." Directors, officers and employees are insured under the policy, and policy terms include "Separation of Insureds" as defined by the standard ISO policy form.

Policy limits are:

\$2,000,000 - each occurrence - bodily injury and property damage
\$2,000,000 - each occurrence - personal injury
\$2,000,000 - each occurrence – employers liability

This Commercial General Liability policy is primary insurance for claims arising from this Contract, and non-contributing with respect to any other insurance carried by the Participants for Work performed at the Project Site.

Umbrella and Excess Liability

Umbrella and Excess liability insurance consists of a combination of layered placements, which provide excess liability coverage to the Commercial General Liability insurance described above.

Policy limits are:

Not less than \$98,000,000 – per occurrence, inclusive of Primary limits

Not less than \$98,000,000 – annual aggregate, inclusive of Primary limits

Contractors' Pollution Liability

Contractor' Pollution Liability (CPL), coverage consists of a combination of layered placements. The CPL coverage is written on an "occurrence" form and includes a three-year completed operations period. The policy provides coverage to Participants under Sound Transit Construction Projects for bodily injury and property damage claims from third parties arising from pollution conditions for damage that occurs during the covered operations for the Participants Work on or off the Project Site as defined by the policy. Coverage includes clean-up costs as a result of a covered environmental condition.

Policy limits are:

\$50,000,000 – per occurrence

\$50,000,000 – policy aggregate (aggregate limits are shared with the professional liability policy described below).

Pollution Legal Liability

Pollution Legal Liability (PLL) coverage consists of a combination of layered placements. PLL coverage is underwritten on a "Claims Made" form, and provides coverage for claims from preexisting & new conditions, not caused by covered operations, to third parties for bodily injury, property damage, and for offsite clean up costs caused by "pollution conditions" as defined by the insurance policy.

Policy limits are:

\$50,000,000 - per occurrence

\$50,000,000 - policy aggregate

Professional Liability

Coverage consists of a combination of layered placements. The policy form is on a "Claims Made" form and provides Professional Liability coverage with a coverage extension for pollution conditions related specifically to Professional Liability exposures.

Pollution conditions not related to Professional Liability are covered by CPL (see previous section).

The policy term is eight years, from January 1, 2001 to January 1, 2009, with an extended reporting or discovery period of ten (10) years. Coverage under this policy extends retroactive to any previous date that any insured professional commenced the performance of any professional service on the Project Site, or entered into any agreement to perform any professional service as defined by the policy.

Coverage is provided for those professional firms who are under prime or subcontract agreements with Sound Transit, and who are performing, or will perform professional services relating to engineering, design, construction management, or other professional consulting services on all Sound Move Projects. Coverage is extended to Contractors & Subcontractors for their Professional Liability exposures.

Policy limits are:

\$50,000,000 - per claim

\$50,000,000 - policy aggregate

Due to the nature of professional liability exposure and insurance coverage for the Sound Move project, detailed procedures governing reporting, investigation and resolution of potential professional liability claims have been prepared. Please see Section XI., Professional Liability Claims, of this manual for professional liability claim procedures.

Railroad Protective Liability

Coverage is written on an industry standard Railroad Protective Liability (RRP) "occurrence" coverage form, and names the railroad as insured for all construction operations performed by all Participants on all Sound Transit Projects.

Policy limits are:

\$ 5,000,000 - per occurrence

\$10,000,000 - annual aggregate

Builders' Risk

This insurance provides coverage for physical loss of or damage to the Work, and to the materials, equipment, and supplies to be incorporated into all Sound Move Projects.

Coverage is provided on an "all-risk" policy form, and names as insureds Sound Transit and its OCIP Participants of every tier as their interests appear. Policy limits are the current Total Insured Values (TIV) covered on a replacement cost basis, with Earthquake and Flood insurance; Materials and Equipment to be incorporated into the Work, based upon actual repair and/or replacement cost including coverage for Earthquake and Flood sub-limits, if any.

Coverage for transit and off-site storage of materials, equipment, or supplies to be incorporated into the Work is limited to those exposures for which Sound Transit, or any Participant, assumes responsibility for the physical loss of or damage to such materials, equipment, or supplies.

Sound Transit or its designee must approve in advance the transit of materials or off-site storage locations.

This builders risk insurance policy will not cover Participants' owned, hired, or leased property or tools, equipment, or supplies used for construction, and not intended to form a permanent part of the Work.

Consultants, Subconsultants, Contractors and Subcontractors of all tiers will be responsible for damage to or destruction of the Work caused by their accidental or negligent acts, subject to the limit specified by the Sound Transit contract for each incident.

Certificates of Insurance:

Upon receipt of Sound Transit's OCIP Enrollment Form, and Participant's certificates of insurance as described below, Sound Transit will provide Participant with appropriate certificates evidencing the insurance coverage described in the OCIP.

Insurance Policies:

OCIP insurance policies are not issued separately for individual Participants. Master policies are issued by the insurance company, in the names of Sound Transit and its Participants of all tiers, for work on Sound Move Project Sites.

The policies are in the possession of Sound Transit's risk manager, as shown in the directory of this OCIP Manual. The OCIP policies may be viewed at Sound Transit's corporate office by any Participant who is: (1) under contract for Work on a Sound Move Project Site, and (2) enrolled in the OCIP.

V. PARTICIPANT INSURANCE SUMMARY

Participant Furnished Insurance:

Except as otherwise specified, Participants shall maintain, at no change to the contract price, the following minimum insurance coverage on policy forms and with Insurers acceptable to Sound Transit:

Automobile Liability Insurance

\$1,000,000 combined single limit for bodily injury and property damage per occurrence for owned, non-owned, and hired vehicles. Sound Transit shall be named as an Additional Insured under this coverage.

Workers Compensation

The Participant shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. The Participant shall be responsible for Workers Compensation insurance for any Subconsultant or Subcontractor who provides Work under Subcontract. If the Participant is qualified as a self-insurer under Chapter 51.14 of the Revised Code of Washington, it shall so certify to Sound Transit by submitting a letter signed by a corporate officer, indicating that it is a qualified self-insurer, and setting forth the limits of any policy of excess insurance covering its employees. Sound Transit retains the right, but not the obligation, to procure Workers Compensation coverage or administered self insurance in accordance with Chapter 51.14 of the Revised Code of Washington at some future date for Participant employees assigned to any of its construction projects.

Other Insurance

Such other insurance as the Participant may carry with respect to its normal business operations is at its own expense and risk.

Certificates of Insurance:

Prior to commencement of Work on all Sound Move Project Sites, the Participant shall provide Sound Transit with certificates of insurance showing insurance coverage in compliance with the foregoing paragraphs identified as "Participant Furnished Insurance." All insurance coverage outlined above shall be written by insurance companies meeting Sound Transit's financial security requirements, (A.M. Best's Key Rating B+; VII or higher). Such **certificates shall reference the contract number and title of this Contract/Project** and shall state that Participant shall provide not less than thirty (30) days advance written notice to Sound Transit in the event Participant's insurance policies are cancelled, not renewed, or materially reduced in coverage. Sound Transit may prevent any Participant from entering the Project Site until the certificates are on file.

Insurance Policies:

Participant shall produce certified copies of its insurance policies required above if so requested by Sound Transit.

VI. PARTICIPANTS' RESPONSIBILITIES

OCIP Participants shall cooperate with Sound Transit and its authorized representatives with regard to administration and operation of the OCIP. Participants shall:

1. Complete enrollment in the OCIP within fourteen (14) days after the contract with Sound Transit is fully executed (signed by Contractor/Consultant and by Sound Transit), or prior to commencing Work on a Sound Move Project Site, whichever occurs first. Participants are required to complete enrollment of Subconsultants and Subcontractors (herein referred to as subs) in the OCIP within fourteen (14) days following award of Subcontract, or prior to the Subcontractor commencing Work.
2. Agree to bind affirmatively each of their respective subs to the insurance, indemnity, and hold harmless provisions of the Contract, including the provisions of this OCIP.
3. Notify Sound Transit in advance of its intent to award any Subcontract. It is Sound Transit's intent to enroll all Consultants, Contractors and subs into the OCIP. Since Sound Transit pays all OCIP premiums, each Participant shall exclude costs for insurance from any and all costs and prices to be reimbursed or otherwise paid in accordance with the Contract and that would duplicate or provide similar coverage to any of the insurance coverage in the OCIP.
4. Include OCIP requirements and documents in all Subcontracts.
5. Permit its books and records related to Sound Transit Construction Projects to be examined and audited by the insurance companies or their respective representatives.
6. Comply with applicable loss control (safety) and claims reporting procedures.
7. Maintain the OSHA 200 Log to be provided monthly to Sound Transit or Sound Transit's representative.
8. Post Notices. Participants are required to prominently post the Workers Compensation Law Compliance Notification and "In Case of Accident Notice" inside their Work area or construction trailers.

VII. TERMINATION OR MODIFICATION OF THE OCIP

While it is Sound Transit's intent to maintain the OCIP throughout the term of all Sound Move Construction Projects, Sound Transit reserves the right to terminate or modify the OCIP, or any portion thereof. If this right is exercised, Sound Transit will provide 60 days' advance written notice to Participants. If necessary, Participants will immediately obtain replacement insurance coverage as required by Sound Transit. The actual audited cost of such approved replacement insurance will be reimbursed by Sound Transit. Participants shall provide written evidence of such replacement insurance to Sound Transit prior to the actual termination date of the OCIP. In addition to its right to terminate or modify the OCIP, Sound Transit reserves the right to modify any provision of this OCIP manual as necessary to conform to the coverage, terms, scope, limitations, or other provisions of the OCIP.

VIII. OCIP ADMINISTRATION

Notice of Contract Award:

Once the Participant has received a Notice of Contract Award to perform Work on any Sound Move Project, the Consultant or Contractor shall accomplish the following:

1. Transmit, or cause its representative to transmit a certificate of insurance evidencing the Consultant's or Contractor's insurance coverage required by Section V of this OCIP manual to the Sound Transit Contracts Department.
2. Advise its insurance representative that it will become a Participant in Sound Transit's OCIP.

Executed Contract (signed by Contractor/Consultant and signed by Sound Transit):

1. Complete and return the OCIP Enrollment Form to Sound Transit (In the OCIP Forms Section of this manual and online).
2. Have all subs complete and return the OCIP Enrollment Form, then submit those forms to Sound Transit on behalf of those subs. Or, subs may enroll online directly to Sound Transit. Any Prime contractor/consultant may contact the Sound Transit Enrollment contact to get a "to-date" enrollee list for their contract (in order to verify their subs' OCIP compliance).

The OCIP Insurance Broker will then transmit verification of OCIP coverage to the new OCIP Participant. Such verification will consist of:

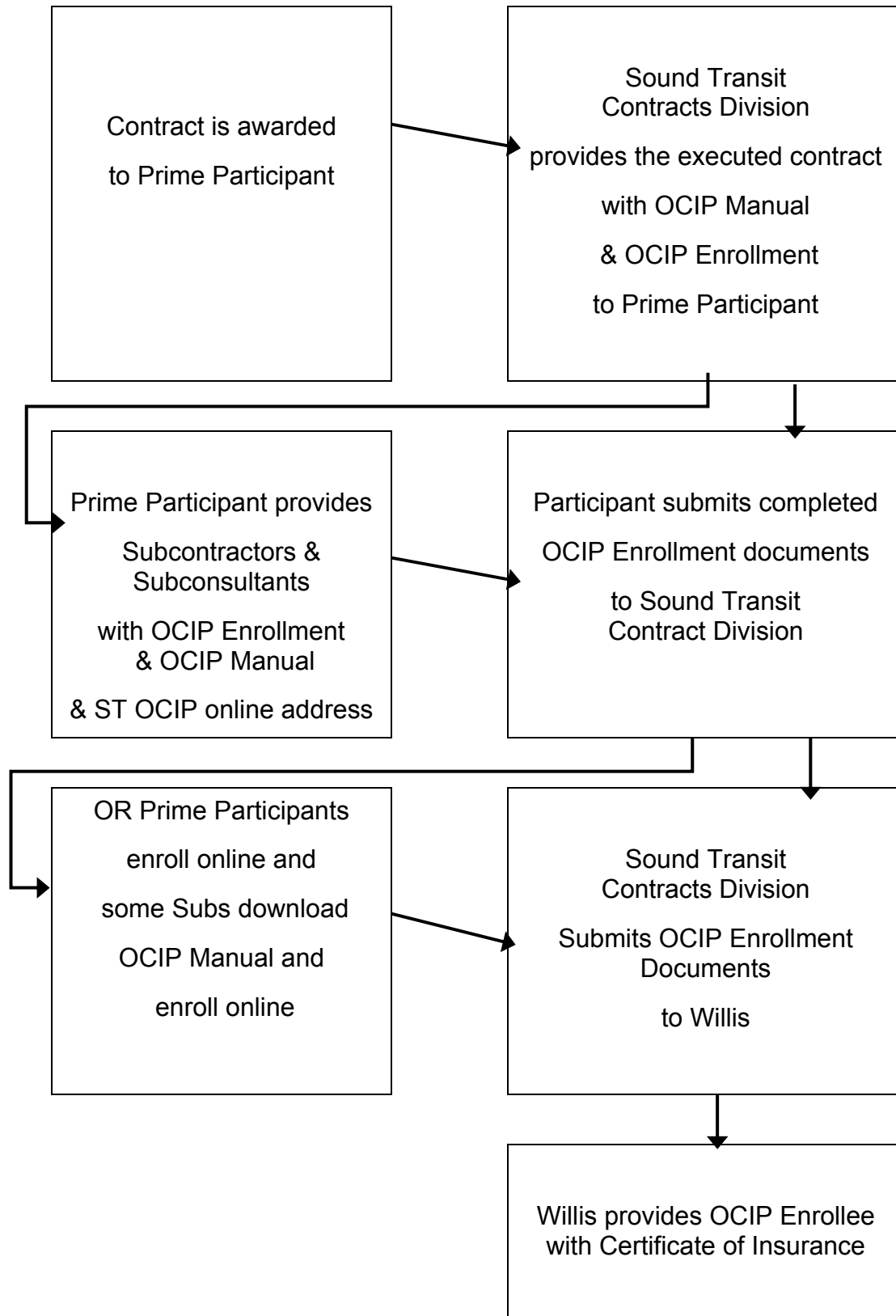
1. Certificate of insurance for all OCIP coverage described in this manual
2. Any "Notice to OCIP Participants" reports issued by Sound Transit or by Willis of Seattle, Inc., to date, which may provide additional or revised procedures regarding the OCIP.

(Participant Enrollment is depicted in the flowchart following this section.)

Contract Completion:

Once the Participant has finished its work, and its Work has been accepted by Sound Transit, or in the case of Subcontractors and Subconsultants, their contracting party, Sound Transit's OCIP records and Participant's OCIP records will be subject to audit provisions in accordance with the Sound Transit contract.

PARTICIPANT ENROLLMENT - FLOWCHART



IX. OCIP LOSS CONTROL PROCEDURES

Safety Statement

Incidents and injuries can be controlled and prevented. Safety is the responsibility of each Participant and each of their employees. Sound Transit's objective under the OCIP is to work together with the Participants and industry partners to continuously improve safety performance for all construction workers, the general public, and for the work under the course of construction.

Sound Transit's Construction Safety Managers will monitor the Participants' Safety and Loss Control Programs, and will be assisted by the Loss Control Consultants from the OCIP Insurance Company and Willis of Seattle, Inc. Their services are provided as additional resources to Sound Transit and to the Participants in the spirit of partnership.

Participants' Safety Responsibility

Although the overall guidance and administration of the OCIP is the responsibility of Sound Transit and its insurance broker, Willis of Seattle, Inc., the implementation of the loss prevention procedures is the responsibility and function of each Participant. These responsibilities include but are not limited to the following:

1. Cooperate fully with all loss control personnel.
2. Sound Transit reserves the right to inspect all Participant work activities, loss control programs, and related safety management programs.
3. Sound Transit reserves the right to intervene, alter, or stop Participants' Work at any time, based on confirmed or perceived safety concerns.
4. Sound Transit may seek the assistance of any qualified parties to determine adequate corrective action to be taken prior to continuation of Participants' Work.
5. Participants must give due consideration to all safety factors during project preplanning.
6. At the discretion of Sound Transit, Participants will provide a detailed pre-construction job hazard analysis for their Work.
7. Participants must advise their supervisory personnel and employees of their position in the loss control program by stressing the importance that Sound Transit attaches to safety and loss prevention.
8. Plan and schedule Work operations to control personal injury and property damage hazards.
9. Provide and enforce the use of all necessary personal protective equipment.
10. Provide properly guarded and maintained tools, machinery, and equipment.
11. Comply with the claim and incident reporting procedures contained herein, and promptly file the reports required by federal, state and local authorities.

Participants' Safety Responsibility (continued)

12. Promptly investigate any incident which causes injury or damage to property.
13. Forward copies of all accident investigations to Sound Transit within 24 hours of incident.
14. Maintain good housekeeping conditions and fire protection equipment.
15. Advise employees regarding the hazards of their jobs; instruct them how to do their Work safely.
16. Identify and correct unsafe work habits of employees as soon as they are observed.
17. Identify and eliminate unsafe conditions under the employees' control; promptly report those conditions which cannot be controlled to the proper authority.
18. Comply with all other provisions of the Occupational Safety and Health Act (OSHA), Washington Industrial Safety and Health Act (WISHA), and other applicable federal, state, local laws and Sound Transit specific regulations applicable to your Contract.

X. OCIP CLAIM PROCEDURES

Immediately and No Later Than 30 days, report all damage or injury incidents to Sound Transit Risk Management, regardless of cause or fault, for: a) incidents involving injuries to any person including third-parties; b) damage or destruction to the Work, real or personal property, including property of third-parties.

When an incident occurs on the Project Site involving your employee:

- Immediately notify your supervisor/safety contact in accordance with Sound Transit's established procedure for the construction site.

Injury or Damage to Other Participants or To the Public:

General Liability:

- Immediately notify your supervisor/safety contact in accordance with Sound Transit's established procedure for the construction site.

Automobile:

- The Owner Controlled Insurance Program does not provide coverage for Automobile Liability occurrences. However, should an incident take place at the project site in which a licensed vehicle causes bodily injury or property damage, the incident should be reported to your supervisor/safety contact in accordance with Sound Transit's established procedure for the construction site.

Damage To Participants Equipment and Supplies:

- Coverage is not provided under the OCIP. The Participant is responsible for wear and tear or damage to its own property, not destined to become a part of the work.

Damage to the Project under the Course of Construction:

- All such occurrences shall be reported immediately to your supervisor/safety contact in accordance with Sound Transit's established procedure for the construction site.

Damage to Sound Transit Leased or Owned Equipment:

- All such occurrences shall be reported immediately to your supervisor/safety contact in accordance with Sound Transit's established procedure for the construction site. Sound Transit does not provide insurance for Participant (Contractor or Subcontractor) leased or owned equipment.

Professional Liability: See Professional Liability Claims Section XI.

Pollution Liability: See Professional Liability Claims Section XI.

XI. PROFESSIONAL/POLLUTION LIABILITY CLAIMS PROCEDURES

Claim reporting obligations

The reporting obligations of an insured under the Professional Liability Section of this OCIP are more stringent than those generally applicable under most professional liability practice policies. More specifically, the Professional Liability Insurance policy requires that all Named Insureds report not only claims, but also any incidents, circumstances or events that reasonably may give rise to a claim. All such claims, incidents, circumstances or events must be reported immediately to:

Sound Transit's Resident Engineer and/or Donovan Hatem LLP. *(See below for Donovan Hatem LLP's role in Professional Liability claims management)*

These reporting obligations apply regardless of the amount of money that may be involved in any particular claim, incident, circumstance or event. In other words, simply because a claim, incident or circumstance or event may fall within the deductible or self insured retention (SIR) of the Professional Liability insurance policy, the Participant must report any such claim, incident, circumstance or event. All such reports will be investigated, administered and/or defended pursuant to the policy requirements, including without limitation the joint defense approach.

Examples of matters which constitute "incidents, circumstances or events" to be reported are:

- Awareness of an intent to pursue a cost recovery claim against you or one of your Subconsultants.
- Awareness of Participant claims against Sound Transit that may implicate your firm's performance or that of your Subconsultants or Subcontractors. For example: Participant claims based upon allegations of incomplete or inaccurate description of site conditions, deficient design, inadequate or incomplete contract documents, mal-administration of construction or improper review of Participant submittals.
- Awareness of any Pollution Condition arising from Work at a Project Site.
- Informational or document requests served upon you - whether by Subpoena, letter or otherwise.
- Deposition subpoena served upon you or any of your representatives or Subconsultants, even if your firm is not a party to the litigation or proceeding in which the subpoena was issued.
- Awareness of litigation or other proceedings (such as a dispute review board proceeding, mediation or arbitration) between a Participant and Sound Transit, or between Participants which may implicate or involve allegations or issues relating to your performance or that of one of your Subconsultants, regardless of whether you or one of your Subconsultant is a party to any such litigation or other proceedings.
- Any indication or awareness of an intention by Sound Transit to pursue indemnification rights against you or one of your Subconsultants arising out of a Participant or other third-party claim against the Sound Transit.

Examples of Claims

- A Summons and Complaint naming your firm as a direct defendant or in any other capacity (for example a third or fourth-party defendant).
- A demand letter served upon you or your firm seeking monetary relief and/or the performance of services for no fee.
- A letter advising of a “cost recovery” investigation or claim involving your firm or one of your Subconsultants.
- A demand or request upon your firm by Sound Transit to assume or participate in the defense, indemnity or settlement of some third-party claim asserted against the Sound Transit, and involving allegations of any act, error or omission in the performance of your firm’s services.

Possible claimants who may assert professional liability claims

The following are representative of claimants:

- Sound Transit
- General Contractors
- Subcontractors
- Construction workers or members of the public who are injured
- Adjacent property owners
- Insurance companies in a subrogation capacity
- Bonding companies for contractors

“Professional services” which may form the basis of claims

The Professional Liability policy defines the term “professional services” as all architectural, engineering, surveying, geotechnical engineering, design, estimating, scheduling, constructability, design and review, construction management, program management and management consulting services, including those services that fall within the scope of services required under the agreements of the respective Named Insureds on the various Covered Projects. The following types of services are representative of “Professional Services”:

1. Design
2. Cost estimating
3. Constructibility reviews
4. Scheduling
5. Preparation of reports and studies
6. Observation of Participants’ performance and resident engineering services

7. Review and evaluation of Participants' shop drawings and other submittals, claims, change order proposals, value engineering proposals, etc.
8. Recommendations regarding payment to the Participants, termination of a Participant, withholding of retainage, etc.
9. Recommendations regarding rejection of Participant's Work or acceptance of Work
10. Coordination and scheduling of work of multiple Participants
11. Claim brought by Sound Transit asserting cost recovery

When there is a claim or incident:

- Do not delay a first notice of a claim in hope that the situation will be resolved or while you attempt to acquire more information. A delay in reporting can prejudice the opportunity to investigate, defend or settle a claim.
- Do not admit responsibility, assume any obligation or make any commitment of money or services to others. Any payments made, obligations assumed or services provided are not recoverable without prior authorization.
- Do not take any action that may enlarge the injury or damage already sustained.
- Keep project files well documented, with information concerning all activities. This includes your Contract and scope of work descriptions, plans and specifications, construction review notes and documentation of on and off site meetings.
- Provide the OCIP Coordinator with all project and other information, records or documents that may be required for the investigation, defense and settlement of any claim or potential claim.
- Participants shall make themselves available to the OCIP adjusters or defense counsel for meetings, hearings, answering interrogatories, depositions, trial preparation and attendance at trials.
- Participants are required to assist in securing and giving evidence and obtain the cooperation and attendance of witnesses as necessary.
- Participants must participate in the Alternative Dispute Resolution Program established for resolving disputes.

The Role of Donovan Hatem LLP as Professional Liability Claim Manager

Willis of Seattle, Inc., with the approval of Sound Transit and the OCIP Insurance Company, has appointed on behalf of the Participants, Donovan Hatem LLP as the Professional Liability Claim Manager, whose services will include investigation, handling and defense of circumstances, incidents and/or claims reported in connection with the Covered Projects. If necessary to retain local joint defense counsel in the event of litigation, Donovan Hatem LLP will work with and manage a joint defense counsel in the interests of the Named Insureds. Joint defense counsel shall have the obligation to timely report and work in cooperation with Donovan Hatem LLP's management direction and advice. To the maximum extent possible, Donovan Hatem LLP, as Program Manager, will endeavor to manage the joint defense effort so as to work cooperatively and jointly with Sound Transit and its counsel in the fair and prompt resolution of cost recovery

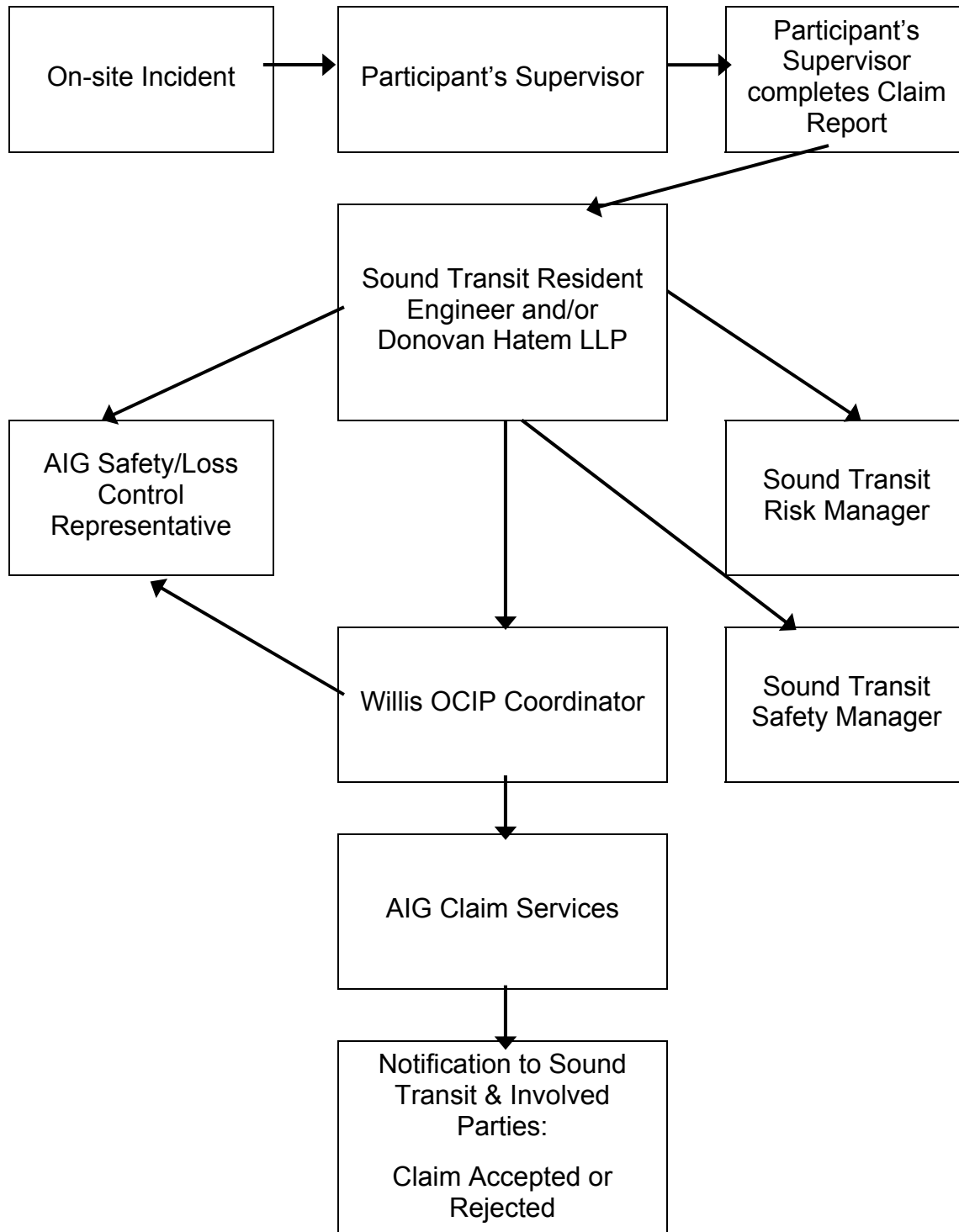
or other claims and (b) coordinated defense of contractor or other third-party claims against Sound Transit and/or any Named Insured(s) under the policy; and shall work with Sound Transit and its counsel in connection with matters reported by Sound Transit pursuant to the contractual liability provisions of the Policy.

In addition, Donovan Hatem LLP will provide risk management/loss prevention services. More specifically, the risk management/loss prevention program may include written materials and seminars, the content of which will be derived with input from Sound Transit, its Risk Manager and Willis of Seattle, Inc. during the design and construction phases of various covered projects. These programs will include written materials as well as mandatory seminars for all Participants. Donovan Hatem LLP will be available to provide legal advice and consultation on incidents and circumstances that are reported, as well as any other matters within the coverage or potential coverage of the program.

Selection and approval of defense counsel

The investigation, defense and settlement of any and all reported incidents, circumstances or claims whether within or beyond the SIR amount - shall be conducted in accordance with the joint defense approach as a condition of coverage under the Program. Donovan Hatem LLP will undertake the investigation and defense, as appropriate, of all reported incidents, circumstances or claims until such time, as it is necessary to retain local defense counsel. At that point, Donovan Hatem LLP shall, after consultation with the involved Participants, arrange for the retaining of defense counsel from a previously established approved "short list" of eligible defense counsel.

CLAIM REPORTING PROCEDURE – FLOWCHART



XII. OCIP ADMINISTRATIVE FORMS

OCIP Enrollment Form (November 2003)

OCIP Claim Report Form (October 2006)

OCIP Enrollment Form



**Sound Transit
Owner Controlled Insurance Program
For Contractors, Subcontractors,
Consultants, and Subconsultants
Involved in Sound Move Projects**

GENERAL INFORMATION					
Name of Company:					
Type Of Entity (Circle One):	Corporation	Partnership	Individual	Joint Venture	Limited Liability Company
Address, City, State, Zip:					
Telephone:			Federal Employer ID#:		
Fax number:			Prime Contractor:		
Administrative Contact Name:			Admin. Contact Telephone:		

CONTRACT or SUBCONTRACT INFORMATION					
Estimated Start Date:			Estimated Completion Date:		
Contract Amount:			Sound Transit Contract Number: RTA		
Scope of Work:					
Contractor	<input type="checkbox"/>	Subcontractor	<input type="checkbox"/>	Construction Management	<input type="checkbox"/>
Consultant	<input type="checkbox"/>	Subconsultant	<input type="checkbox"/>	Architect/Engineer	<input type="checkbox"/> (X in appropriate box)
List of Expected Subcontractors/Subconsultants (attach separate list if necessary):					
Subcontractor Name:		Subcontract Amount:		Description of Subcontract Work:	

ENROLLMENT CERTIFICATION

CERTIFICATION AND ASSIGNMENT

We hereby certify that the cost of insurance for those coverages provided by the Owner Controlled Insurance Program (OCIP) have not been included in our contract price. Further, we hereby assign, transfer and set over absolutely unto Sound Transit its right, title and interest to any and all returns of premiums, dividends, discounts, or other adjustments to this OCIP. This assignment shall pertain to the policies as now written and as subsequently modified, rewritten or replaced in Sound Transit's Insurance companies, including any additional amount or coverages as a result thereof. We also assign our right of cancellation of all Insurance policies provided to us by Sound Transit through the OCIP. This assignment is valid only for Insurance policies where premiums have been paid by Sound Transit on behalf of our firm. We agree that by signing this form, we request enrollment in the OCIP, and that enrollment will be confirmed once Sound Transit's insurance representative issues the appropriate OCIP certificates. OCIP coverage will become effective at the time our employees first come on to a Sound Move Project Site.

We hereby certify that the information set forth herein is true and accurate in all material respects.

Dated on this _____ day of _____, 20

Authorized Representative: _____

Printed Name: _____

Title: _____

If You Have Questions Regarding This Form, Please Direct Them To:

Consultants or Contractors:

Contact your Sound Transit Contract Administrator

Subconsultants or Subcontractors:

Contact your primary Consultant or Contractor

When Completed, Please Mail or Send This Form by Facsimile, to:

**Sound Transit Contract Division
401 S. Jackson Street
Seattle, WA 98104-2826**

Fax: (206) 398-5271



Instructions for completing the OCIP Claims Reporting Form:

The attached form (page 2 -3) must be completed for all damage or injury incidents occurring in or around the construction site. All relevant sections must be completed in order to process a claim.

Incomplete forms will be returned to claimant.

THE CLAIM FORM MUST BE FILED IMMEDIATELY, OR WITHIN 14 BUSINESS DAYS AFTER THE INCIDENT OCCURRED.

The following reporting procedures must be followed when injury or property damage incidents occur; or when damage to the work occurs involving ST construction including its personnel, contractors, sub-contractors, third-parties, facilities, premises, or related equipment.

1. The OCIP Contractor *or* Third-party Claimant must complete the OCIP Claims Reporting Form (page 2-3) and include photographs whenever possible.
2. To access the Claims Reporting Form on-line, go to www.SoundTransit.org, “click” on;
 - Working with Us
 - Contracts
 - OCIP
 - OCIP Forms and Manuals
 - “Owner Controlled Insurance Program (OCIP) Claims Reporting Form”
3. Complete the following report form immediately and distribute to job-site Resident Engineer for delivery to Sound Transit Risk Management Division via, email (Grenierd@SoundTransit.org) *or* (Stilleg@SoundTransit.org), fax (206-689-3301), interoffice mail, or U.S. mail to: Union Station, 401 South Jackson Street, Seattle, WA 98104-2826, Attn: Risk Management Division.
4. Sound Transit Risk Management Division or its claim adjuster(s) will notify the claimant and the Sound Transit Resident Engineer regarding final disposition of the claim (accepted or denied).

**Owner Controlled Insurance Program (OCIP) Claims Reporting Form
Sound *Move* Construction Projects**



OCIP Contractor **or** Third-party Claimant: _____

Contract No. (If applicable) _____

Date reported: _____ Date *and* Time of Incident: _____

Who is reporting this Incident? _____

Address: _____ Phone No. _____

WHAT HAPPENED? (Describe operation, activity, equipment, conditions and how incident occurred. Use separate sheet & diagram if necessary and attach photographs.)

Any Hazardous Materials Involved? _____

PRIMARY CAUSE: (Condition or act that caused the incident.) _____

RECOMMENDED CORRECTIVE ACTION: _____

EMPLOYEE(S) INJURY: (List any injured employee(s) name, address, phone number, and describe the nature of the injury.)



EMPLOYEE(S) INJURY continued Other Employee(s) Involved: (name, address, phone number)

INJURY OR PROPERTY DAMAGE TO THIRD-PARTIES (non-employees): (Describe. Include name, address, phone numbers of parties involved.)

COMPANY PROPERTY DAMAGE OR LOSS: (Describe) _____

WITNESSES: (name, address, phone number.)

Police Report? Yes ___ No ___ If Yes, Case No. _____

Jurisdiction: _____

Additional Comments: _____

Resident Engineer Signature: _____ Date: _____

and/or

Claimant Signature: _____ Date: _____