



999 N. Sepulveda Blvd., Ste. 400, El Segundo, CA 90245877-222-4777

Questions most frequently asked by Builders

DBH Resources has finished the orientation meeting. What do I do next?

Incorporate the Insurance and Indemnity Addendum, provided by DBH Resources, into your subcontracts. We recommend that you have your attorney do this for you. Then, send out bid packages to subcontractors along with the customized documents (which include the bid letter, FAQ's, and Insurance Credit Worksheet) and provided by DBH Resources. Finally, notify DBH Resources of all subcontractors awarded a contract to work on your project.

What do I send to subcontractors in their bid packages?

DBH Resources will provide you with a recommended bid letter and we ask that you include this along with the customized documents that we will prepare for you on your project. These customized documents include an Insurance Credit Worksheet – used for premium allocation purposes to calculate each subcontractor's existing general liability rates - and informational FAQs – Frequently Asked Questions for subcontractors. All of these documents are available for download at www.wrapup.net using the User Name and Password provided to you by DBH Resources.

How should I notify DBH Resources of contract award totals? By release, or for the entire project?

It depends on whether or not DBH Resources is providing premium allocation services for you. If we are *not* performing premium allocation services for you, it is not necessary to provide us with contract amounts for your subcontractors. We will only need contact information such as subcontractor name, address, phone number and type of work performed.

If we are performing premium allocation services for you, we ask that you notify us of contracts that are awarded to subcontractors in phases or per release rather than for the entire project*. The reason for this is that when DBH Resources negotiates a contribution from the subcontractors, you will be billed based on a percentage of the dollar figure provided to us in the contract award notice. If you have only awarded a portion of the total contract (i.e. first phase) but notify us of the contract amount for the entire project, we will bill you for the entire project too early. This will help you avoid any disputes with your subcontractors as well. The subcontractors will accept deductions based on their current work but will have a very hard time accepting a deduction based upon an entire project with multiple phases.

*The only exception to the above is if we are performing premium allocation services for you for a *flat fee*, or if there is only one phase to your project. Then, we ask that you provide us with the contract amounts for the entire project.

What do I do with the OCIP Insurance Manual?

An OCIP Insurance Manual will be created and provided to you by DBH Resources. It should be handed to subcontractors as they sign their contracts. The manual contains general information about the OCIP program, specific information about your project, general safety information and contact information, including whom to contact in case of a claim along with all necessary forms for the benefit of your project's construction participants.

What information do I need on the insurance certificates I am requesting from the subs?

Proof of worker's compensation insurance

Proof of auto liability insurance

Proof of "off-premises" liability insurance – this is a subcontractor's basic insurance necessary to operate its business

Please note: An OCIP project is different from a traditional insurance project! You *do not* want a subcontractor to add you as an additional insured under its own policy unless it is choosing to have its own policy sit in excess of the OCIP. If this happens, a subcontractor may be charged twice for coverage: once under the OCIP and once from its own carrier.

If a subcontractor does choose to have its own policy sit in excess of the OCIP, it will need to provide an endorsement to its policy that states that the OCIP policy will act as primary coverage and the subcontractor's policy will only be acting as excess coverage. Contact DBH Resources for an insurance certificate checklist to help you request this from your subcontractors.

How do I handle the self-insured retention (S.I.R.) during the course of construction?

This business decision is up to you. Some builders may choose to pass along the cost of the S.I.R. to all involved subcontractors for any claims for bodily injury and property damage that occur during the construction of the project. Or, a builder may choose to absorb the entire cost of the S.I.R. for any bodily injury and/or property damage claims that occur during the construction of the project. This can act as a powerful selling point if the builder is trying to get subcontractors to contribute toward the OCIP premium. In between these two extremes, a builder may decide to allocate a pro-rata share of each subcontractor's contract into an S.I.R. fund to be released at the end of the project if no claims have occurred. The most popular option, however, is to cap all subcontractors S.I.R. exposure at either their existing general liability deductible or at a set dollar figure determined at the outset. Whichever method you choose, make sure you let DBH Resources, Inc. know so we can provide you with the necessary legal language for your contracts.

What are the wrap-up insurance policy limits?

(See wrap up project FAQs or consult policy for this information)

Can a subcontractor "opt out" of enrollment under the OCIP?

No, enrollment is mandatory! A subcontractor *does not* have the option of working on an OCIP project under its existing general liability policy. If there were two or more policies running parallel on an OCIP project, it would defeat the purpose of a single OCIP policy responding to all claims for construction defect. As you may be aware, a large part of the cost of defending against traditional construction defect claims is the legal discovery process of assigning blame. Any cross-suits or discovery will "eat into" the limits of the policy, thus recreating the legal problems that the OCIP is designed to address.

What happens if there is a change in subcontractors?

If we have received an award notice for a subcontractor and that subcontractor is replaced, DBH Resources needs to be notified as soon as possible of the new subcontractor that will be replacing the previous. If the former subcontractor did not perform any work at all on the project, it need not be enrolled under the OCIP. However, if the first subcontractor performed *even one day of work* on the project, both it and the replacement subcontractor will have to be enrolled. If we are performing premium allocation services for you, we will also need the contract amount for the replacement subcontractor's work as well as the final contract amount for any work performed by the first subcontractor up to the time of its replacement.

What about sub-tier contractors?

All construction participants must be enrolled in the OCIP program, including sub-tier contractors. It is the builder's responsibility to communicate to all subcontractors that DBH Resources must be notified of sub-tier contractors. This requirement is stated in the FAQs as well as in the customized OCIP insurance manual provided by DBH Resources. A notification template is provided in the OCIP insurance manual for the subcontractors' convenience.

How do I get actual monies as contributions from subs?

This business decision is up to you. Some builders choose to withhold the negotiated percentage from each draw throughout the life of the project. Other builders prefer to deduct the entire negotiated amount from the first or last draw. Whichever method you choose, make sure your decision is expressed in your subcontracts.

How can I see DBH Resources' status of my project?

Log into www.wrapup.net using the User Name and Password provided to you by DBH Resources. Follow the simple instructions to access the premium allocation chart for your project.

Who do I contact if I have questions?

Please contact your Wrap-Up Services Associate, toll free at (877) 222-4777.