

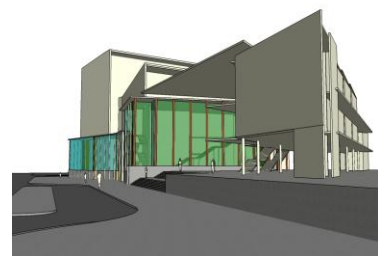
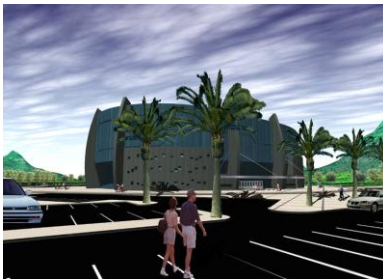


COMMONWEALTH OF
PUERTO RICO
Puerto Rico Infrastructure
Financing Authority



Owner Controlled Insurance Program (OCIP) MANUAL

For Architects & Engineers



***Prepared By:
PRIFA'S OCIP Administration Office &
Lopez Luna Insurance***

TABLE OF CONTENTS

I. Insurance Administration	Page
Introduction	1
Program Directory	2
Definitions	3
Summary of Coverages	5
OCIP-Provided Coverages	6
Consultant Provided Insurance Coverages	9
Consultant Responsibilities	11
Administration of the OCIP	12
II. Claims Administration	
Introduction	13
Claims Directory	14
Claims Procedures	15
Lawsuit or Citation Procedures	16
III. Consent Form (Needs to be signed)	17
IV. OCIP Forms	
Form 1 - OCIP Enrollment	18
Form 3 – Professional Errors & Omissions Notice of Loss	19

INTRODUCTION

This manual identifies, defines, and assigns responsibilities related to the administration of the Owner-Controlled Insurance Program (OCIP) for the Consultants of the Puerto Rico Infrastructure Financing Authority (PRIFA)

This manual:

- Describes the OCIP and details the insurance-related responsibilities of the various parties involved.
- Provides a basic understanding of the OCIP structure and operation, with an overview of coverage provided by the OCIP and guidelines for carrying out specific administrative procedures.
- Provides answers to questions that are likely to arise during the course of the projects. Because it is impossible to anticipate every question or situation that may arise, the directory lists those involved in the administration of the OCIP and their areas of expertise. Please feel free to call with any questions.
- Will be updated as changes dictate during the course of the project.
- ***Does not and is not intended to provide coverage interpretations. The terms and conditions of the policies alone govern how coverage is applied.***

PROGRAM DIRECTORY

SPONSOR AND OCIP ADMINISTRATOR

Puerto Rico Infrastructure Financing Authority
Ave. Muñoz Rivera, # 268, Suite 400
Hato Rey, PR 00918

OCIP Administrator:

Gladys Torres
E - Mail: gtorres@afi.gobierno.pr

Phone #: 787-763-5757
Fax #: 787-763-1605

OCIP INSURANCE BROKER

López Luna Insurance
Ave. Piñero #1731
San Juan, PR 00920

Luis López Luna
EMAIL: luis2@lopezlunainsurance.com

Phone #: 787-273-7070
Fax #: 787-273-7082

Program Support:

Melissa Sánchez
EMAIL: msanchez@lopezlunainsurnce.com

Phone #: 787-273-7070
Fax #: 787-273-7082

Program Advisors:

Angelly Matos
EMAIL: amatos@lopezlunainsurnce.com

Phone #: 787-273-7070
Fax #: 787-273-7082

DEFINITIONS

Certificate of Insurance	Written evidence of the existence of a particular insurance policy.
Eligible Participants	Includes all project management firms, design professionals, consulting engineers, construction managers and sub-consultants rendering professional services in connection with the PRIFA Work Plan.
Insured	Puerto Rico Infrastructure Financing Authority and/or the Commonwealth of Puerto Rico and/or the Treasury Department c/o Public Insurance Bureau, Project Management firms and Consultants and Sub-consultants of any tier who are properly enrolled in the OCIP and who have been named in a policy, certificate of insurance, or evidence of insurance signed by a duly authorized representative of the Insurers.
OCIP Insurance Companies	<ol style="list-style-type: none">(1) Ace Insurance Company (Professional Errors & Omissions Liability Insurance)(2) Universal Insurance Company (Professional Excess Errors & Omissions Liability Coverage)(3) American International Insurance (Primary and Excess General Liability Insurance)
OCIP Administrator	Puerto Rico Infrastructure Financing Authority Ave. Muñoz Rivera, # 268, Suite 400 Hato Rey, PR 00918 Att. Gladys Torres
Owner-Controlled Insurance Program (OCIP)	An insurance program under which Commercial General Liability and Professional Errors & Omissions Liability coverages are procured or provided on a project “wrap-up” basis for Consultants and sub-consultant(s) of any tier, who have been properly enrolled, while providing services at the Project Site.

Professional Liability Insurance Program

Provides Errors and Omissions coverage for the Project Management Firms, Consultants and its Sub-consultants who have or are providing professional services for the PRIFA's OCIP's Insured Projects.

Sub-Consultant

An individual, firm, partnership or corporation that has a contractual obligation with the Consultant to perform some professional services required for the completion of the PRIFA's OCIP Insured Project(s).

Project Site

That area described in the professional service agreement documents including the area available for the Consultants operations, access routes, right-of ways, and approved additional sites necessary or incidental thereto in connection with the services at or emanating from the project site.

SUMMARY OF COVERAGE

Project Provided Coverage

Puerto Rico Infrastructure Financing Authority (PRIFA) has implemented an Owner-Controlled Insurance Program (OCIP) to furnish certain insurance coverages as respects to properly enrolled Consultants and contracted engineering, architectural firms and sub-consultants. The OCIP will be only for the benefit of PRIFA and its Consultants /Sub-consultant(s) of all tiers who have been properly enrolled in the OCIP program. Such coverage applies only to services performed under the agreement at the Project Site. All approved participants must have their own general liability insurance for off-site activities.

The OCIP policies are available for review by the Consultant upon request to PRIFA. The terms of such policies or programs may be from time to time amended. The Consultant hereby agrees to be bound by the terms of coverage as contained in such insurance policies and/or self-insurance programs and acknowledge that such policies prevail over any contradictory terms of the General Conditions of the Program.

While the OCIP is intended to provide broad coverages and high limits, the OCIP is not intended to meet all the insurance needs of the Consultant/Sub-consultant. We recommend that each Consultant/Sub-consultant discuss the OCIP with their insurance broker or consultant to assure that other proper coverages are maintained.

OCIP PROVIDED COVERAGE

PRIFA will provide and maintain in force the types of insurance as listed below. The Consultants and Sub-consultants of all tiers enrolled in the OCIP agree that the insurance company policy limits of liability, coverage terms, and conditions shall determine the scope of coverage provided by the OCIP. The Consultants and Sub-consultants of all tiers agree that the purpose of this section is to provide a general understanding of the coverage provided by the OCIP.

1. Commercial General Liability

Provides coverage for Bodily Injury, Property Damage, Personal Injury, Products and Completed Operations, and Employer's Liability Coverage, for On-Site Project Activities.

Scope of Coverage

- | | | |
|------------------------|--|---|
| A. Covered Operations. | The performance of services in conjunction with PRIFA'S OCIP Insured Projects by an enrolled Consultant, and sub-consultants of any tier providing services for PRIFA at the Project Site. | |
| B. Insureds. | PRIFA, enrolled Consultants, and enrolled Sub-consultant of all tiers. | |
| C. Limits. | \$2,000,000 | Each Occurrence Bodily Injury & Property Damage |
| | \$6,000,000 | General Aggregate for all Insured Projects |
| | \$6,000,000 | Products and Completed Operations and Policy Aggregate for all Insured Projects |
| | \$2,000,000 | Employer's Liability Coverage |
| D. Special Condition. | Five (5) years extension in completed operations coverage from date of final acceptance. | |

2. Excess General Liability Insurance

Provides Liability coverage in excess of Primary Commercial General Liability Coverage for On-Site Project Activities.

Scope of Coverage

- | | | |
|----------------|---|--|
| A. Operations. | The performance of services in conjunction with PRIFA's OCIP Insured Projects by an enrolled Consultant, and Sub- Consultants of any tier providing services for PRIFA performed at the Project Site. | |
|----------------|---|--|

- B. Insured. PRIFA, Consultants and Enrolled Sub-consultants of all tiers.
- C. Limits. \$ 50,000,000 Each Occurrence
\$ 50,000,000 Policy Aggregate for All Insured Projects

3. Professional Errors & Omissions Liability

Provides liability coverage for Negligent Acts, Error or Omissions that arise out of professional services rendered by an enrolled Named Insured for projects covered under PRIFA's OCIP.

Scope of Coverage

- A. Operations. Performance of services in conjunction with PRIFA's OCIP Insured Projects by an enrolled architect, engineer and sub-consultant.
- B. Insured. Contracted project management firms, Consultants and its Sub-consultants of all tiers providing services in connection with projects covered under PRIFA's OCIP.
- C. Limits.
 - Primary \$1,000,000 Each Claim
\$2,000,000 In the Aggregate with an Automatic Reinstatement of Limit
 - Excess \$24,000,000 Each Claim
\$48,000,000 In the Aggregate
 - Total Limits \$25,000,000 Each Claim
\$50,000,000 In the Aggregate
- D. Retroactive Coverage. October 1, 2004

4. Certificates and Policies

All the PRIFA furnished insurance coverages shall be either written by insurance companies approved by PRIFA or shall be self-insured. PRIFA or its appointed representative shall provide the Consultant and Sub-consultants with appropriate certificates of insurance or self-insurance evidencing the coverage outlined above.

5. Termination/Modification of the OCIP

PRIFA reserves the right to terminate any participant from the OCIP, and to terminate or modify the OCIP, or any portion thereof. To exercise this right, PRIFA shall provide sixty-

(60) days advance written notice to all participants covered by the OCIP. The Consultant and all participants of all tiers shall immediately be required to obtain appropriate replacement insurance coverage acceptable to PRIFA. The total reasonable cost of such replacement insurance will be reimbursed by PRIFA. Written evidence of such insurance shall be provided to PRIFA prior to the effective date of the termination or modification of the OCIP.

6. Assignment of Return Premiums

PRIFA will be responsible for the payment of all premiums associated solely with the OCIP and will be the sole recipient of any dividend(s) and/or return premium(s) generated by the OCIP. In consideration of PRIFA's provision of said coverages, by signing this contract, the Consultant agrees to:

- A. Irrevocably assign to and for the benefit of PRIFA, all return premiums, premium refunds, premium discounts, dividends, retentions, credits, and any other monies due to PRIFA in connection with the insurance which PRIFA herein agrees to provide. The Awarded Consultant further agrees to require each sub-consultant of all tiers to execute a similar assignment for the benefit of PRIFA.

7. No Release

The carrying of the above-described insurance shall in no way be interpreted as relieving the Consultant of any other responsibility or liability under this agreement, the OCIP policies or any applicable law, statute, regulation or order.

CONSULTANT/SUB-CONSULTANT PROVIDED INSURANCE COVERAGE

For any service or work under the agreement, and until substantial completion and final acceptance of the services, the Consultant, at its own expense, must promptly furnish to PRIFA's OCIP Administrator, certificates of insurance giving evidence that certain coverages are in force. The Consultant is responsible for compliance of these requirements by its sub-consultants of all tiers.

Upon receipt of notice to proceed, the Consultant agrees and shall cause its sub-consultants of all tiers to agree to obtain the insurance set out below from a company or companies acceptable to PRIFA as follows:

1. Workmen's Compensation Insurance

- a) The Consultant shall provide Workmen's Compensation Insurance as described by the Workmen's Compensation Act of the Commonwealth of Puerto Rico. The Consultant shall also be responsible for compliance with said Workmen's Compensation Act by all its sub-consultants.
- b) The Consultant shall furnish PRIFA a certificate from the State Insurance Fund showing that all personnel employed in the work are covered. If imported technical personnel are exempted, the Consultant shall furnish evidence of such exemption and certificate from the insurance carrier covering said personnel.
- c) For imported personnel eligible for exemption, as per Act. No. 16 of May 16, 1958, the Consultant shall refer to Appendix "A".

2. Automobile Liability Insurance

- a) The Consultant agrees, and shall cause its sub-consultants of all tiers to agree, to provide, at their own expense, Automobile Liability Insurance for claims arising from the ownership, maintenance, or use of a motor vehicle at, upon, or away from the Project Site. The insurance shall cover all owned, non-owned, and hired automobiles used in connection with the work, with the following minimum limits of liability:

\$1,000,000 Combined Single Limit Bodily Injury and Property Damage per Occurrence
- b) The certificate evidencing this coverage shall state that the policy has been endorsed to name PRIFA as an Additional Insured.

- c) Notice of Cancellation
Policies and/or certificates shall specifically provide a 60-day notice of cancellation, non-renewal or material change to be sent to the OCIP Administrator at the aforementioned address, as a condition for such cancellation, non-renewal or material change to take place.
- d) If there is the exposure of transportation of hazardous materials the following endorsement shall be provided. Under this policy, Motor Carrier Endorsement, of the Motor Carrier Act of 1980, Form MCS-90, shall be provided by the Contractor.

3. Certificates of Insurance

Upon receipt of notice to proceed, the Consultant agrees, and shall cause its sub-consultants of all tiers to agree, to provide to PRIFA's OCIP Administrator a Certificate of Insurance setting out the coverages described herein, limits, and amendments to the certificate necessitated by changes to the work to be performed under the contract until completion and final acceptance of work. Insurances must be placed with carriers having an A.M. Best's Guide rating of A-VII or better. Such certificate shall be forwarded to the OCIP Administrator at the address described in this manual.

4. Furnishing of Policies

- a) All required policies of insurance shall be in a form acceptable to the PRIFA, and shall be issued only by insurance companies authorized to do business in Puerto Rico.
- b) The Consultant shall furnish a complete copy of each policy required under this agreement, or a certificate of insurance signed by an authorized representative of the insurer in Puerto Rico, describing the coverages afforded. This certification shall be in an "Accord" form, in general use by the insurers.

5. Other Insurance

Any type of insurance or any increase of limits of liability not described above which a Consultant requires for its own protection or on account of any statute shall be its own responsibility and its own expense.

The OCIP is not an attempt to provide the Consultant and its sub-consultants of all tiers with complete insurance programs. PRIFA shall not be responsible to provide any insurance coverage not specified above. The Consultant and its Sub-consultants of all tiers have the responsibility to make sure their insurance programs fit their particular needs, and it is their responsibility to arrange for and secure any insurance coverage, which they deem advisable, whether or not specified above.

CONSULTANT /SUB-CONSULTANTS RESPONSIBILITIES

The Consultant for itself and on behalf of its enrolled sub-consultants is required to cooperate with PRIFA and its OCIP Administrator with regards to the administration and operation of the OCIP. The Consultant's responsibilities shall include, but are not limited to:

1. Compliance with applicable Laws, Statute or Regulation and PRIFA's OCIP Manual, setting forth the administrative procedures required of the Consultant;
2. Provision(s) of necessary contract, operations and insurance information;
3. Immediately notifying the OCIP Administrator as soon as practicable of all sub-consultants of all tiers upon award;
4. Cooperation with any insurance company and OCIP Administrator with respect to requests for claims or other information required under the program;
5. Immediately notifying PRIFA that any Consultant/Sub-consultant-provided coverage has been canceled, materially changed, or not been renewed;
6. Complete the following administrative forms within the time frames specified:
 - A. PRIFA OCIP Form 1 - OCIP Enrollment Form. Upon receipt of award notice from PRIFA/Consultant.
 - B. PRIFA OCIP Form 2 - Notice of Substantial Completion. Upon completion of all work being performed under the contract.
7. Ensure that all eligible participants of all tiers complete OCIP Form 1 and OCIP Form 2.
8. Completed forms will be sent to PRIFA's OCIP Administrator at the following address:

Puerto Rico Infrastructure Financing Authority
Ave. Muñoz Rivera, # 268, Suite 400
Hato Rey, PR 00918
Att. Gladys Torres
Phone #: 787-763-5757
Fax #: 787-763-1604

ADMINISTRATION OF THE OCIP

Administration is an integral part of the success of the OCIP. The Consultant/ Sub-consultants must be properly enrolled in the OCIP before access to the Project Site is allowed.

1. Awarded Consultant shall enroll in the OCIP by completing the attached OCIP Form 1 and submitting them to the OCIP Administrator upon receipt of award notice from Consultant/PRIFA. All awarding Consultant shall require that each of its sub-consultants of all tiers enroll in the OCIP by submitting the OCIP Form 1 to the OCIP Administrator prior to the sub-consultant commencing its services.

2. Sub-consultant Participation

Upon execution of the agreement, the Consultant will immediately report all new eligible Sub-consultants of all tiers to the OCIP Administrator for enrollment in the OCIP. The Consultant shall cause its Sub-consultants to cooperate fully with PRIFA, and insurance companies for the project in the administration of the OCIP. The Consultant agrees to cooperate in the safety and accident prevention program and claim handling procedures as established for the project by PRIFA. In accordance with this paragraph and subparagraphs, the Consultant shall not permit any sub-consultant of any tier to commence its services or entering the Project Site prior to submitting enrollment forms in the PRIFA's OCIP; failure to do so may negate the afforded coverage(s).

CLAIMS ADMINISTRATION INTRODUCTION

This section of the Manual explains the procedures to be followed in the event of a claim. It is important that PRIFA's designated insurance company and the OCIP Administrator be immediately notified of any claim situation. The OCIP is designed to provide certain coverage to PRIFA and its Consultants/Sub-consultants; however, the program does not change any of the Consultant/Sub-consultant(s) contractual and/or statutory responsibilities for reporting claims.

CLAIMS DIRECTORY

OCIP ADMINISTRATOR:

Puerto Rico Infrastructure Financing Authority
Gladys Torres
Ave. Muñoz Rivera, # 268, Suite 400
Hato Rey, PR 00918

Gladys Torres
E - Mail: gtorres@afi.gobierno.pr

Phone #: 787-763-5757
Fax #: 787-763-1605

OCIP INSURANCE BROKER

López Luna Insurance
Ave. Piñero #1731
San Juan, PR 00920

Luis López Luna
EMAIL: luis2@lopezlunainsurance.com

Phone #: 787-273-7070
Fax #: 787-273-7082

Program Support:

Melissa Sánchez
EMAIL: msanchez@lopezlunainsurnce.com

Phone #: 787-273-7070
Fax #: 787-273-7082

Program Advisors:

Angelly Matos
EMAIL: amatos@lopezlunainsurnce.com

Phone #: 787-273-7070
Fax #: 787-273-7082

CLAIMS PROCEDURES

A. Bodily Injury or Property Damage Claims:

You must report all occurrences when any member(s) of the public is injured or any property is damaged. Complete the required forms and information of any incident immediately according to PRIFA procedures and forward to the address indicated below:

B. Professional Errors and Omissions Liability Notice of Loss:

You must give written notice and report all occurrences immediately to the Company in the event of a dispute or claim. Complete the Professional Liability Notice of Loss Form immediately (PRIFA's OCIP Form 3) and forward to the address indicated below:

1. Original to:
Puerto Rico Infrastructure Financing Authority
Ave. Muñoz Rivera, # 268, Suite 400
Hato Rey, PR 00918
Attention: Gladys Torres
Phone #: 787-763-5757
Fax #: 787-763-1605
E-mail: gtorres@afi.gobierno.pr

2. Copy to:
López Luna Insurance
Ave. Piñero # 1731
San Juan, PR 00920
Attention: Melissa Sánchez
Phone #: 787-273-7070
Fax #: 787-273-7082
E-mail: msanchez@lopezlunainsurance.com

C. Notice of Professional Errors and Omissions Potential Claims:

If, during the participation in the OCIP, any Insured becomes aware of any incident or wrongful act which may reasonably be expected to be the basis of a claim against any Insured, written notice thereof with all available particulars must be given to the OCIP Administrator with:

1. the specific Wrongful Act;
2. the dates and persons involved;
3. the identity of anticipated or possible claimants;
4. the circumstances by which any Insured first became aware of the possible claim.

LAWSUIT OR CITATION PROCEDURES

Upon receipt, the Consultant/Sub-consultant shall immediately notify by telephone of all lawsuits or citations filed against either PRIFA or its Consultant/Sub-consultant(s) of any tier, related to work performed on the Project Site. All lawsuits or citations shall, upon date of receipt, be forwarded by certified mail to:

1. Original to:
Puerto Rico Infrastructure Financing Authority
Ave. Muñoz Rivera, # 268, Suite 400
Hato Rey, PR 00918
Attention: Gladys Torres
Phone #: 787-763-5757
Fax #:787-763-1605
E-mail: gtorres@afi.gobierno.pr

2. Copy to:
López Luna Insurance
Ave. Piñero # 1731
San Juan, PR 00920
Attention: Melissa Sánchez
Phone #: 787-273-7070
Fax #: 787-273-7082
E-mail: msanchez@lopezlunainsurance.com

CONSENT FORM

I have read and understand the information provided in the Owner-Controlled Insurance Program Manual.

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

Date: _____

Please complete and return to Mrs. Gladys Torres, OCIP Administrator at the Puerto Rico Infrastructure Financing Authority, Muñoz Rivera Ave., # 268, Hato Rey, PR 00918. Tel. 787-763-5757, Fax787-763-1605. **This form must be received prior to starting work on the Project.**



COMMONWEALTH OF
PUERTO RICO
 Puerto Rico Infrastructure
 Financing Authority

**PUERTO RICO INFRASTRUCTURE FINANCING AUTHORITY
 OCIP ENROLLMENT FORM**

Your firm's complete legal name:

Contact Person:

Physical Address:

Mailing Address:

City:	State:	Zip-code:
Tel. #:	Cellular #:	Fax #:
E-Mail Address:	Federal ID #:	

Project Information

Who awarded your agreement:

Project Name:

Project designation (or contract number) :

Project Type:

Identify the discipline(s) for services you provide on this project:

Beginning of Service:	Ending of Service:	Estimated Contract Fees: \$
-----------------------	--------------------	-----------------------------

Expected Use of Sub-consultants

<u>Company Name & Mailing Address</u>	<u>Type of Work to be Done</u>	<u>Telephone No.</u>	<u>Start Date</u>

This enrollment form must be received prior to starting work on the Project at the OCIP Administrator's Office:

Puerto Rico Infrastructure Financing Authority
 Ave. Muñoz Rivera, # 268, Suite 400
 Hato Rey, PR 00918
 Tel. 787-763-5757, Fax 787-763-1605

SIGNED BY: _____ DATE: _____



**PUERTO RICO INFRASTRUCTURE FINANCING AUTHORITY
NOTICE OF PROFESSIONAL ERROS AND OMISSIONS LIABILITY LOSS**

DATE: _____

INSURED NAME AND ADDRESS: _____

DATE OF LOSS: _____

DESCRIPTION OF THE LOSS: _____

NAME AND ADDRESS OF PRIME FIRM: _____

HOME TELEPHONE NO.: _____ **BUSINESS TELEPHONE NO.:** _____

PROJECT LOCATION: _____

PROJECT NAME: _____

PROJECT DESCRIPTION: _____

DESCRIBED DAMAGES: _____

DESCRIPTION OF PROBLEM:
NAME, ADDRESS & TELEPHONE NO.: _____

WITNESS:
NAME, ADDRESS & TELEPHONE NO.: _____

COMMENTS: _____

REPORTED TO: _____