



Dallas/Fort Worth International Airport Risk Management

ACI-NA 14th Annual Risk Management Conference
Concurrent Session 1B
January 10, 2013

*Alphabet Soup: OCIP's, CCIP's, ROCIP's – What Does
it All Mean?*

Rolling Owner Controlled Insurance Program (R/OCIP)

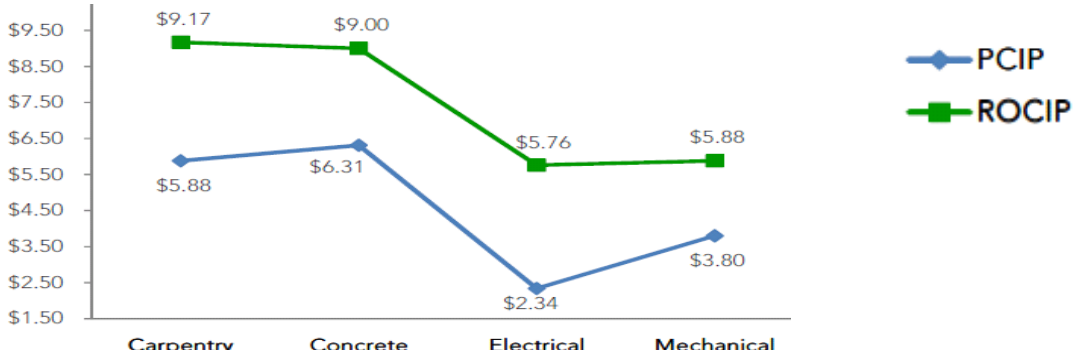
DFW Business Strategy

- **Purpose**
 - Comprehensive wrap up program
 - 7 Year bound insurance coverage
 - “Rolling” feature for future capital projects
- **Objectives**
 - Financial Savings
 - Site Control / Improved Safety
 - Broader Coverage
 - Increased Opportunities for M/WBE’s



Rolling Owner Controlled Insurance Program (R/OCIP)

DFW Business Strategy – Market Influences

	PCIP	ROCIP															
Construction Value	\$ 2,201,312,949	\$ 2,100,000,000															
Contractor Insurance Rates by Trade	 <table border="1" style="margin: auto;"> <caption>Contractor Insurance Rates by Trade</caption> <thead> <tr> <th>Trade</th> <th>PCIP Rate</th> <th>ROCIP Rate</th> </tr> </thead> <tbody> <tr> <td>Carpentry</td> <td>\$5.88</td> <td>\$9.17</td> </tr> <tr> <td>Concrete</td> <td>\$6.31</td> <td>\$9.00</td> </tr> <tr> <td>Electrical</td> <td>\$2.34</td> <td>\$5.76</td> </tr> <tr> <td>Mechanical</td> <td>\$3.80</td> <td>\$5.88</td> </tr> </tbody> </table>		Trade	PCIP Rate	ROCIP Rate	Carpentry	\$5.88	\$9.17	Concrete	\$6.31	\$9.00	Electrical	\$2.34	\$5.76	Mechanical	\$3.80	\$5.88
Trade	PCIP Rate	ROCIP Rate															
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Concrete	\$6.31	\$9.00															
Electrical	\$2.34	\$5.76															
Mechanical	\$3.80	\$5.88															
WC Claims (Max weekly benefits)	<ul style="list-style-type: none"> ▪ \$531 	<ul style="list-style-type: none"> ▪ \$766 															
Medical Costs	<ul style="list-style-type: none"> ▪ Higher overall in 2000 	<ul style="list-style-type: none"> ▪ Stabilized from 2007 – 2010 ▪ Medical cost containment +10% 															
Primary Market Influences	<ul style="list-style-type: none"> ▪ September 11, 2001 ▪ 2008 – Recession ▪ Derivative/mortgage crisis ▪ AIG/other insurers; Increases in insurer reinsurance/administration costs ▪ Hurricane Events (Katrina, Rita, Ike and Gustav) 																

Rolling Owner Controlled Insurance Program (R/OCIP)

DFW Business Strategy - Cost Comparisons

	PCIP	ROCIP	
		TRIP	(TRIP & NON TRIP)
CONSTRUCTION VALUE:	\$2,201,312,949	\$1,500,000,000	\$2,100,000,000
DEDUCTIBLES:	\$500,000	\$250,000	\$250,000
WC	\$4,224,139	\$5,364,269	\$7,509,977
GL (\$2M/\$4M/\$4M)	\$1,347,360	\$4,697,622	\$6,576,671
Loss Fund & Claims Expenses	\$18,189,576	\$14,040,000	\$19,656,000
Excess Liability (\$200M)	\$1,696,786	\$2,200,000	\$3,100,000
Builder's Risk	\$4,809,848	\$5,697,500	\$4,006,500
Professional Liability	\$5,887,573	N/A	N/A
Pollution Liability	\$838,613	\$1,030,465	\$1,288,081
Total	\$36,993,895	\$33,029,856	\$42,137,229
SECURITY & COLLATERAL:			
Collateral	\$2,000,000	\$3,000,000	\$4,200,000
Escrow	\$250,000	\$234,000	\$234,000
TOTAL PROGRAM COSTS:	\$39,243,895	\$36,263,856	\$46,571,229
	5 Year	7 Year	

Rolling Owner Controlled Insurance Program (R/OCIP)

DFW Business Strategy - Cost Impact

Year	Premium (Fixed Cost)	Loss Fund (Variable Cost)	Escrow Collateral Fees	TOTAL	Funding Request
2011	\$5,782,228	\$2,565,600	\$236,000*	\$8,583,828	\$20,213,759
2012	\$2,848,833	\$1,965,600	\$4,500**	\$4,818,933	
2013	\$4,836,273	\$1,965,600	\$9,125**	\$6,810,998	
2014	\$3,632,273	\$1,965,600	TBD	\$7,972,873,est	
2015	\$3,329,873	\$2,948,400 **	TBD	\$6,278,273, est.	
2016	\$1,109,269	\$2,948,400 **	N/A	\$4,057,669	
2017	\$471,240	\$2,948,400 **	N/A	\$3,419,640	
2018	\$471,240	\$2,948,400 **	N/A	\$3,419,640	
TOTALS:	\$ 22,481,229	\$ 20,256,000		\$ 45,361,854	

- * Represents escrow of \$234,000 + estimated LOC bank fee of \$2,000
- ** Represents estimated LOC bank fee for year 2 and 3
- *** \$4.2 million cash can be paid in two installments and will earn interest

DFW R/OCIP

Program Components

■ Administration

- Insurance Coverage
- Contractors Enrollment
- Site Badge Program
- Screening

■ Safety Training

- Dedicated Safety Training Facility
- Mandatory two-day training
- Supervisor Training
- Tailored Training Modules
- Bilingual Sessions



DFW R/OCIP

Program Components

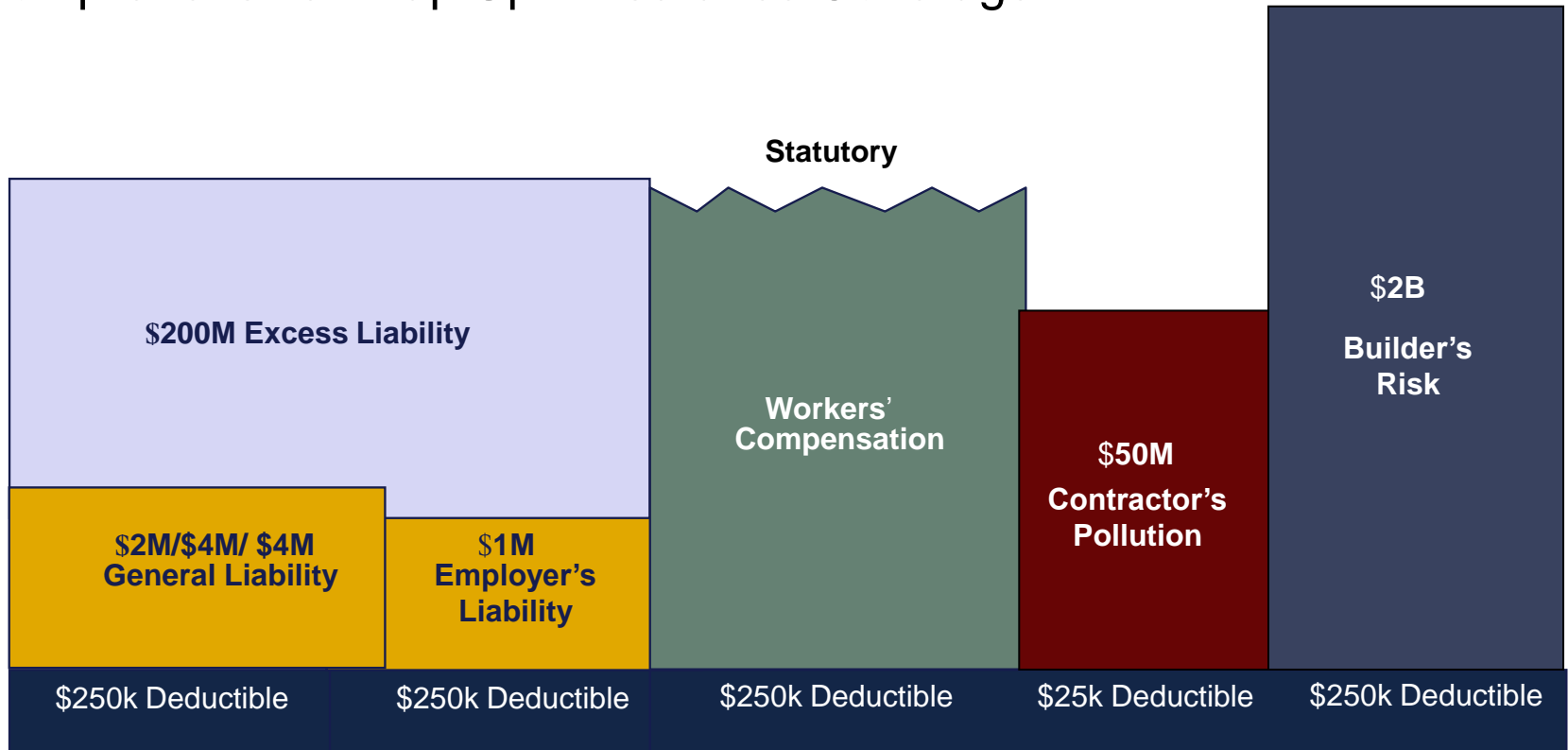
- **Claims Management**
 - On-site Investigations
 - Medical Case Management
 - Return to Work Program

- **Capital Assistance/Bonding**
 - Underwriting Assessment
 - Education sessions
 - **New** Certificate of Completion “Pilot” program



DFW R/OCIP - Administration

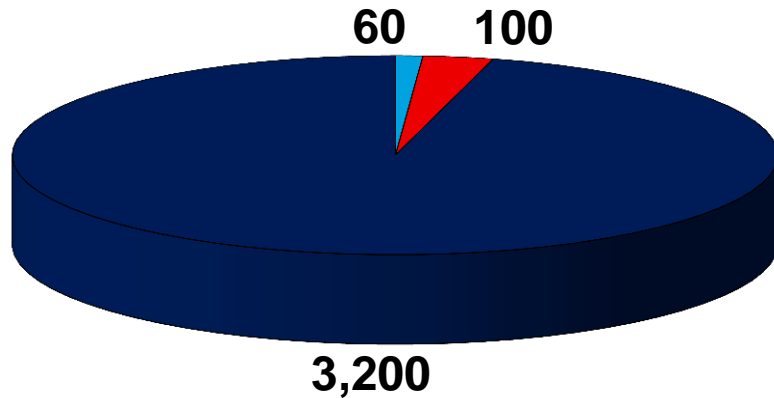
Comprehensive Wrap Up - Insurance Coverage



DFW R/OCIP - Administration

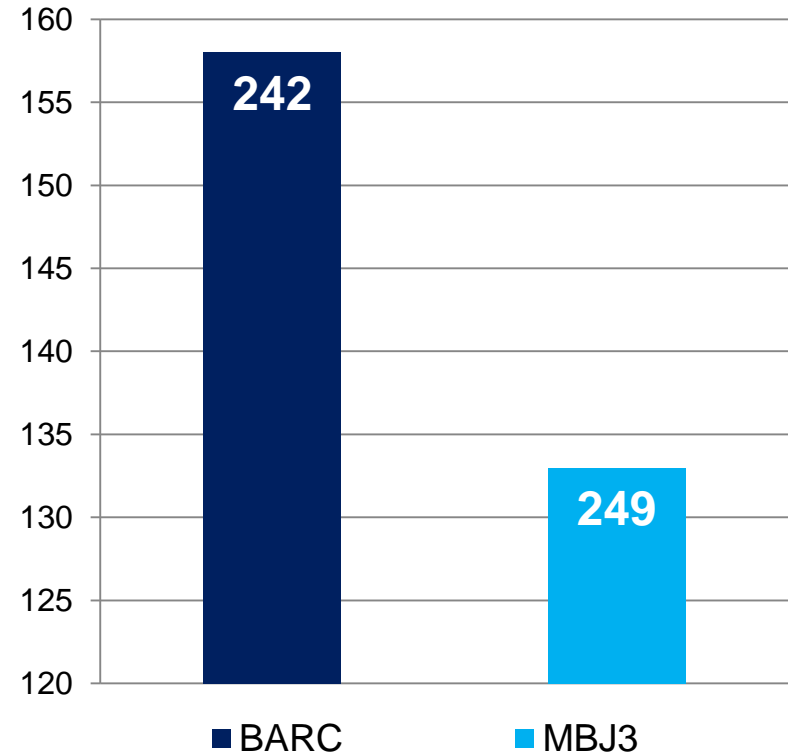
- Contractors Enrolled – 378 YTD
 - 886 Contracts
- Screening – 3,360

Total Employee Screenings



Failed Drug Tests Failed Background Checks Total Passed

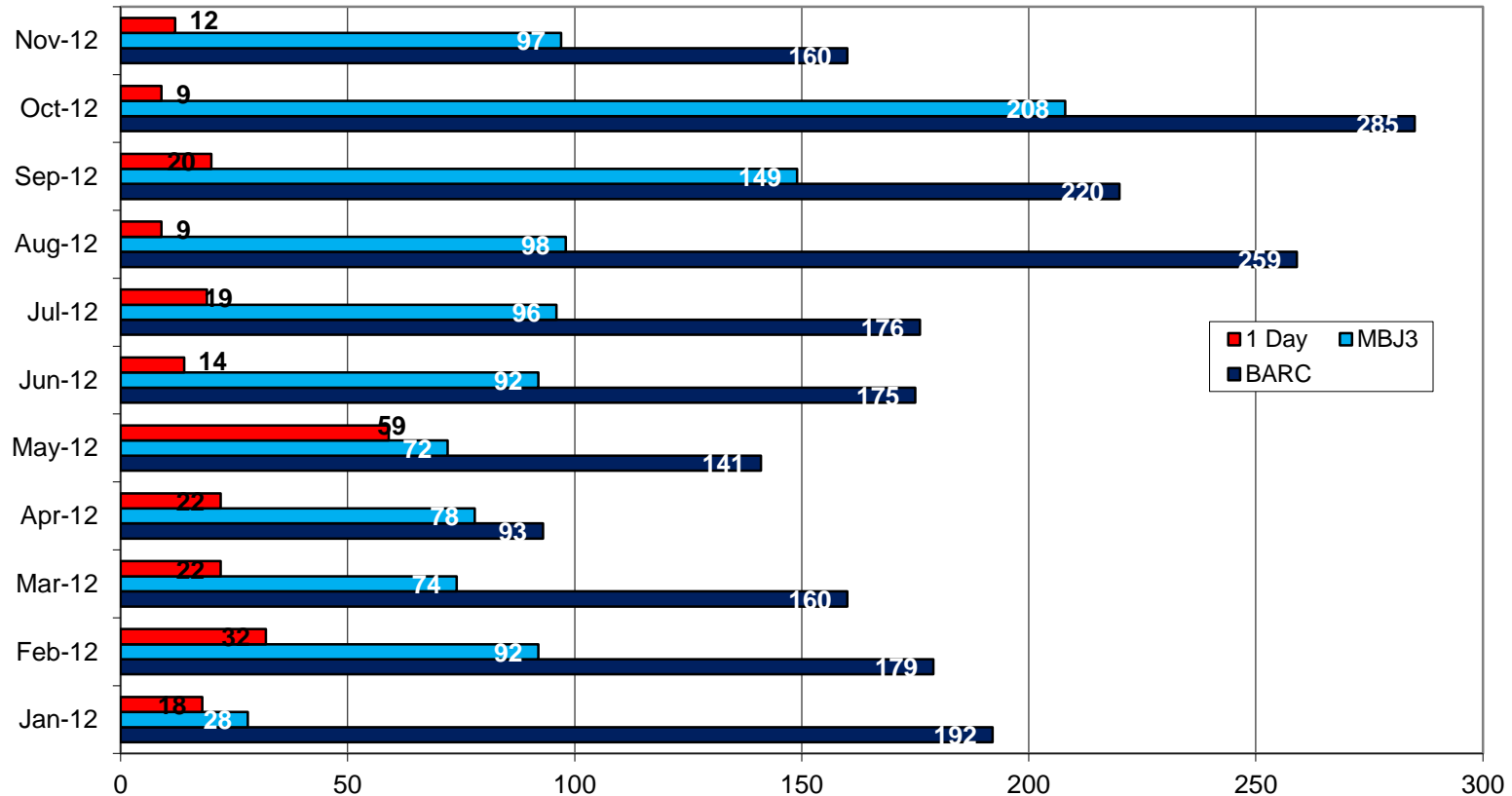
Total Contractors Enrolled



DFW R/OCIP - Administration

YTD 2012 R/OCIP Badges: 3,360

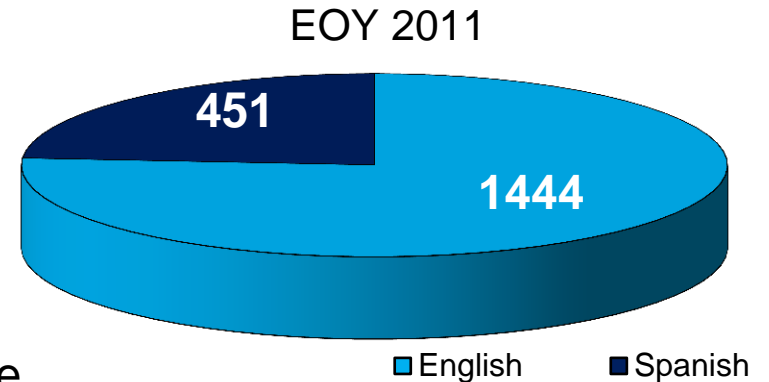
EOY 2011 Badge Issuance: 1,895



DFW R/OCIP - Safety Training

YTD 2012 – 3,520 Employees Trained

EOY 2011 – 2,388



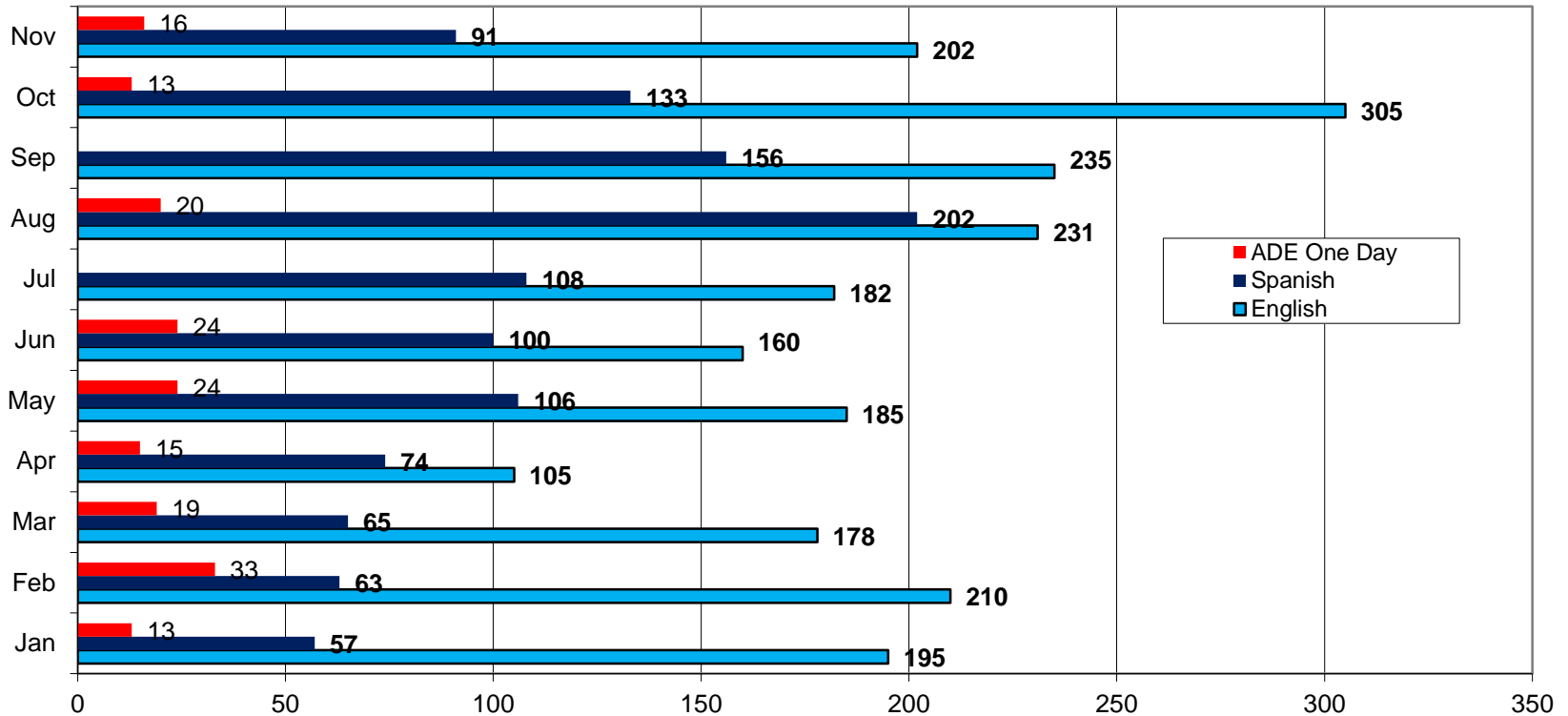
- **Construction Employees**
 - Mandatory 2 Day Safety Training
 - English/Spanish Construction Language Basics

- **Supervisor Training - 3rd Day**
 - Job Hazard Analysis
 - Pre-Task Planning
 - Supervisory/Leadership Skills



DFW R/OCIP - Safety Training

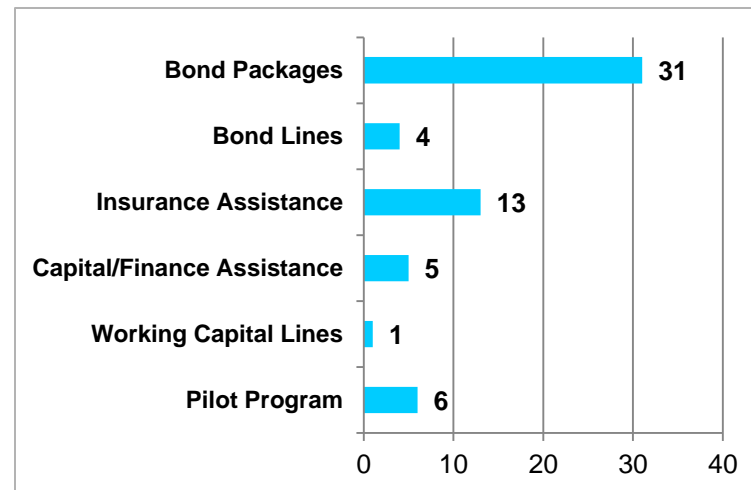
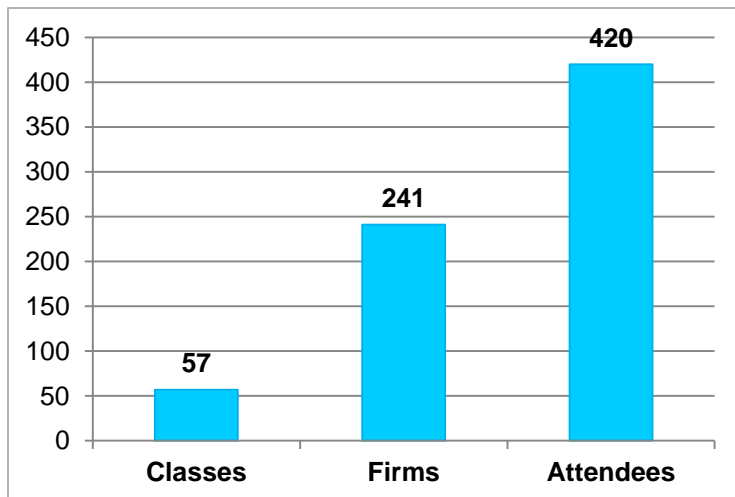
Monthly Safety Training Activity, 2012



DFW R/OCIP - Capital Assistance/Bonding Program

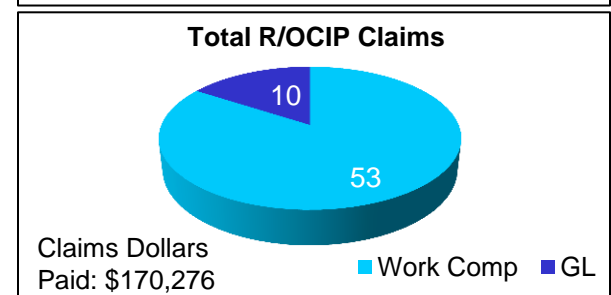
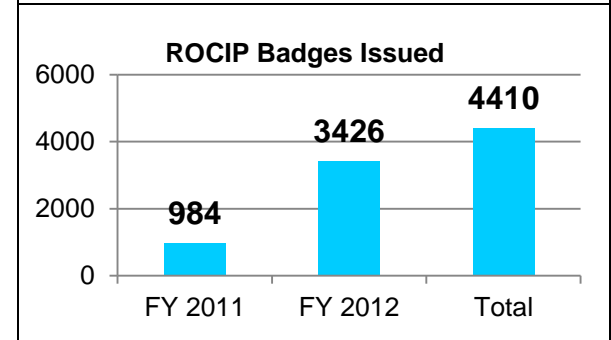
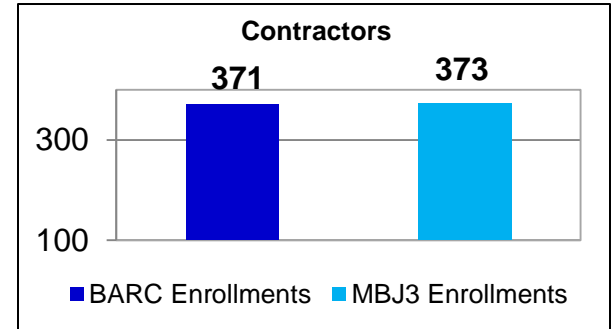
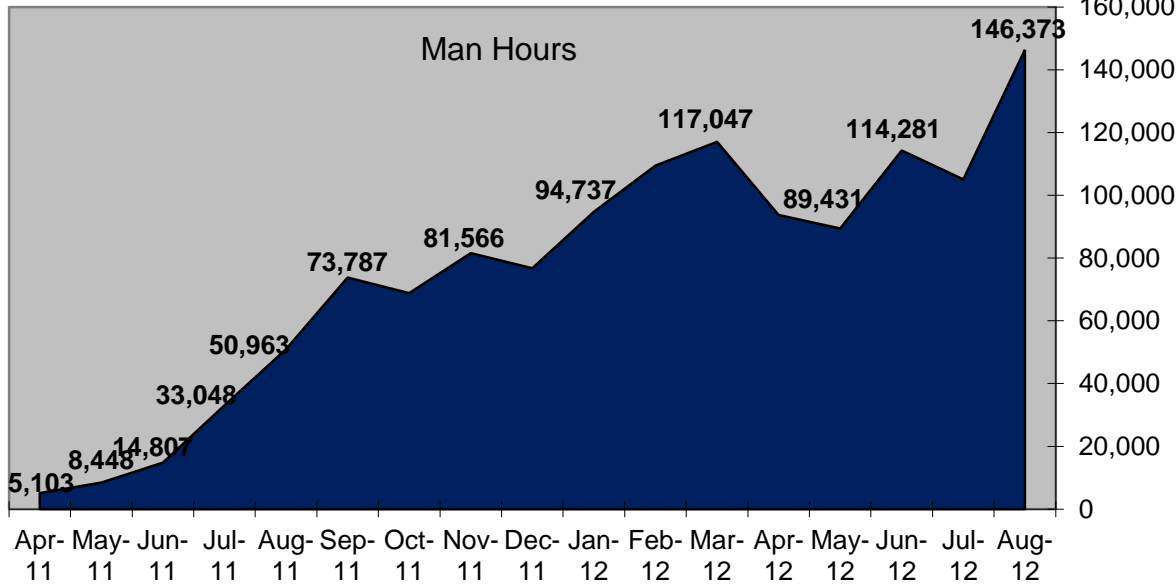
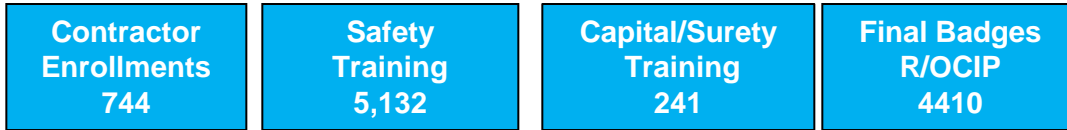
YTD – 241 Firms

- Educational/Underwriting Support
 - Financial Services
 - Bonding Application Assistance
 - Project Budgets
 - Developing Business Plans



DFW R/OCIP

FY2012 Dashboard





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