

***World Trade Center Construction Owners'
Controlled Insurance Program-
Extension Alternatives and Analysis***

Committee on Finance

December 7, 2010

WTC OCIP - Premium Summary

<u>Coverage</u>	<u>Guaranteed Cost</u>	<u>Most Competitive Risk Option</u>	<u>Limits</u>
<u>Hub Only</u>			
Environmental	\$1.918M	\$1.918M	\$100M
Workers' Compensation	\$19.91M	\$19.91M	Statutory
Builders' Risk	\$11.575M	\$11.075M	\$1B w/\$250K ded
Terrorism	\$ 2.5M	\$2.5M	\$100M w/\$250K ded
General Liability	<u>\$114.8M</u>	<u>\$112.8M</u>	\$500M
Total	\$150.703M	\$148.203M	
<u>All Projects</u>			
Environmental	\$1.918M	\$1.918M	\$100M – Hub Only
Workers' Compensation	\$33.193M	\$33.468M	Statutory
Builders' Risk*	\$26.478M	\$25.478M	\$1B w/\$250K ded
Terrorism	\$13.93M	\$ 5.93M	\$500M w/\$250K ded
General Liability*	<u>\$143.4M</u>	<u>\$135.4M</u>	\$500M w/\$125K ded
Total	\$218.919M	\$202.194M	

* Excludes the VSC due to the length of time to it's completion date in 2017

WTC OCIP - Original Quote vs. Negotiated Option

	Original Quote <u>Guaranteed Cost</u>	Negotiated Quote <u>Recommended Option</u>	<u>Limits</u>
	(in millions)		
<u>All Projects</u>			
Environmental	\$ 3.900	\$ 1.918	\$100M – Hub Only
Workers' Compensation	\$ 44.394	\$ 33.193	Statutory
Builders' Risk*	\$ 39.018	\$ 25.478	\$1B w/\$250K ded
Terrorism	\$ 26.255	\$ 5.930	\$500M w/\$250K ded
General Liability*	<u>\$185.000</u>	<u>\$143.400</u>	\$500M w/\$125K ded
Total	\$298.567	\$209.919	
Broker Fee**	<u>\$14.928</u>	<u>\$7.600</u>	
Total	<u>\$313.495</u>	<u>\$217.519</u>	

* Excludes the VSC due to the length of time to its completion date in 2017

** Broker Fee includes safety and loss control, claims administration, legal defense and policy review

WTC OCIP – Recommended Extension Program

Conclusion - Bind All Project* Extensions Most Cost Savings:

OCIP Multi-Year Structure:

Environmental	Guaranteed Cost	\$ 1.918 M
Workers' Comp	Guaranteed Cost	\$ 33.193M**
Builders' Risk	PAICE Fronted	\$ 25.478M
Terrorism	PAICE Fronted	\$ 5.93 M
General Liability	Guaranteed Cost	\$ 143.40 M
Fixed Broker Fee	With Loss Control	\$ <u>7.60 M</u>
Total		\$ 217.519M

*Builders' Risk and General Liability for the VSC cannot be extended currently due to the length of time to its completion date in 2017

**Excludes NY State WC assessments and taxes