

Layton Risk Management Program (LRMP) Contractor Controlled Insurance Program (CCIP)

What is the LRM Program?

The Layton Risk Management Program (LRMP) consists of two components; a Contractor Controlled Insurance Program (CCIP) and compliance with Layton's Safety Program.

I. Contractor Controlled Insurance Program

The CCIP is provided by Layton Construction Co., Inc. (Layton) on behalf of subcontractors and sub-subcontractors of all tiers working on-site at said project. Not every company involved with the project will be required to be insured through the CCIP; Layton, at its discretion, will exclude certain Subcontractors from the CCIP. Those selected for enrollment will be covered according to the guidelines set forth by the CCIP Manual and in accordance with state law where the project is located.

Subject to the subcontract between Layton, Subcontractors, and sub-subcontractors, of all tiers, Layton has secured specific insurance coverage for the enrolled firms performing Work at the Project Site. The CCIP insurance coverage applies only to work at the Project.

The insurance and limits provided by the CCIP are intended to offer broad comprehensive coverage. Please note the coverage afforded under this program does not include all insurance needed by the Subcontractors and their Sub-Subcontractors. For example, workers' compensation and general liability coverage apply only to the operations of the enrolled subcontractor at the Project Site. They do not apply to the operations of the enrolled Subcontractor in his regularly established main or branch office, factory, warehouse, similar place, in transit, or any other location not defined as the Project Site.

It is recommended that the Subcontractors and Sub-Subcontractors, of all tiers, have their insurance consultant review the coverage provided by the CCIP. It is the responsibility of the Subcontractors and Sub-Subcontractors, of all tiers, to maintain all insurance required by the Subcontract and, at their sole option and cost, any additional insurance they deem necessary.

Exposures Not Typically Covered by CCIP Project:

- No coverage is provided for the operation, use, maintenance, loading or unloading
- Suppliers
- Off-Site Fabricators

- Material dealers
- Ineligible Parties as defined in CCIP Manual

II. Safety Manual

a. Injury Management & Loss Management Protocols

All Injury Management and Loss Management Protocols can be found on the Layton Construction website.

b. Safety Requirements

Subcontractors will be required to adhere to the Layton Safety Handbook which can be downloaded from the Layton Construction website; found at <http://laytonconstruction.com>. In an effort to ensure the safest possible work site, Layton has instituted this safety program which sets forth the rules and regulations by which Layton and its Subcontractors work.

c. Site Specific Safety Manual

The Site Specific Safety Manual is referenced and included in the Subcontract and is available at the Project Site.

III. How you bid to us - Submit your bid including your own insurance as you normally would. Nothing has changed. Should Layton decide to incorporate you into the CCIP you will, at a later time: and provide an Insurance Declaration Page which identifies your current cost of insurance.

a. Enrollment Forms – Fill out the CCIP Enrollment Application Worksheet provided with this RFP as Attachment I

b. Insurance Declaration Page – Provide Layton with your Insurance Declaration Page so that the true cost of your insurance can be determined. The policy limits, and coverage, are identified in the Layton Risk Management CCIP Manual provided with this RFP as Attachment II

c. Second Tier/Lower Tier subs - Fill out separate CCIP Enrollment Application Worksheets for each lower tier subcontractor and provide their Insurance Declaration Pages

IV. How to Enroll in the CCIP

a. The Contractor Controlled Insurance Program Manual will provide the process for participation in LRMP

Under the CCIP the Subcontractors/Sub-Subcontractors, of all tiers, performing work at the Project Site will be required to work with the CCIP Administrator, to:

- participate in an initial CCIP introduction and safety orientation
- cooperate, in good faith, with the CCIP administrator to identify the Subcontractor's true cost of insurance
- provide Insurance Declaration Page for the subcontractor and all sub-subcontractors

- iv. submit required CCIP Enrollment Forms and Worksheets prior to start of Work for you and your sub-subcontractors
- v. submit Certificate of Insurance evidencing off-site coverage and coverage required by contract but not covered by the CCIP
- vi. keep and maintain accurate payroll records of its employees working directly at the Project Site and submit monthly payroll reports - a Payroll Report Form is attached to this document as Attachment III
- vii. comply with accident reporting and claim procedures
- viii. actively participate in the site Safety (Loss Control) Program
- ix. submit required Notice of Work Completion Form; which is attached to this document as Attachment IV.

V. Specific Deliverables

a. Insurance Worksheet and support docs (declarations page)

The Subcontractor and known Sub-Subcontractors will include a complete CCIP Enrollment Application Worksheet if required by Layton.

If Layton requires that this project use a CCIP, any lower tier Sub-Subcontractors that are not yet identified during the procurement process must submit the CCIP Enrollment Application Worksheet in sufficient time to facilitate the enrollment process prior to their mobilization. Sub-subcontractors will not be allowed on site if they have not been enrolled in the CCIP and show proof of insurance.

Enrollment applications will be processed during Layton's evaluation process.

b. Insurance certificates for other coverage –Submit Certificates of Insurance for offsite operations, and other coverage as required by the Subcontract Agreement

VI. Administration

a. Enrollment

Layton will inform the Subcontractor if they are choosing to enroll the subcontractor or sub-subcontractor in the CCIP program.

b. Orientation Alternate Costs

If Subcontractor and Sub-Subcontractors have been selected by Layton to be enrolled in the CCIP program, they will work with Layton's insurance broker to ensure the appropriate amount for the Subcontractor's insurance is being calculated. Costs for the CCIP will be deducted from the subcontractor's payment monthly, based on the actual number of hours that the Subcontractor's employees worked on the project the month prior. No change orders will be executed or required, minimizing the administration efforts required.

Subcontractors and Sub-Subcontractors of all tiers must submit Certificates of Insurance for off-site operations and other coverage required by the Subcontract Agreement.

c. Payroll reporting – work hours

Within two weeks following the end of the payroll-reporting period, the Subcontractor and each Sub-Subcontractor of all tiers must submit to the CCIP Administrator, a monthly certified payroll report of the labor incurred at the project site during the previous month. This report must contain a description of the work performed by Standard Workers' Compensation Insurance Classification, the payroll information associated with each classification and the man-hours related to this work

d. Payroll True Up – work hours

Subcontractors and sub-subcontractors will provide Layton with a completed CCIP Notice of Work Completion Form. Layton shall then notify the CCIP Administrator, allowing for review of the Subcontractor and its Sub-Subcontractors' compliance with all of the CCIP forms. If the Subcontractor and/or its Sub-Subcontractors have not complied with all of the CCIP requirements, final payment may be withheld until such time as all of the requirements have been met.

VII. Subguard

SubGuard provides protection to the General Contractor against Subcontractor failures without requiring subs to obtain Payment and Performance Bonds from a surety company; thereby allowing subs to keep their bonding capacity higher.