



Hospital integrated project delivery model



Customer challenge



Hospitals are complex construction projects. A San Francisco-based hospital addressed this issue by using an integrated project delivery (IPD) model. This approach emphasizes project-focused collaboration as opposed to traditional, two-party construction contracts. The owner, lead contractor joint venture and lead designer entered a three-party agreement with incentives if certain goals are met or exceeded, and risking the profit if goals are not met. However, traditional liability insurance — especially professional liability — triggers when one party sues another.



The solution



A team of Zurich risk engineers, underwriters and lawyers modified a design-build coverage called rectification to provide the IPD team and project protection in the event of a design error. In addition, Zurich coordinated multiple lines of coverage and services, such as claims and risk engineering, to serve an integrated design and construction team.



Results/benefits



Rectification offers customers a flexible, integrated solution to delivering a project on time and on budget. Key to a successful integrated project delivery model is the willingness to analyze all potential risks upfront so an equitable contract can be written.