



NEW ENGLAND INSURANCE SERVICES, INC.

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Builders' Risk

Builders' risk insurance is a form of property insurance that covers property owners and builders for projects under construction, renovation or repair. This insurance is similar to Building and Personal Property coverage; the difference being, this coverage is used to cover buildings during the course of construction.

Builder's risk provides coverage on an "all risk" basis, including theft and vandalism, for accidental losses, damage or destruction of property for which the insured has an insurable interest. This property can include an entire building or other structure in the course of construction including the building supplies and materials at the job site to be used in the project. The contractor can be named as an additional insured if requested. The contractor's equipment and tools are not covered and should be specifically insured by the contractor.

Builder's risk policies do not cover losses occurring before construction begins or after completion of the project. Construction must be in progress for coverage to exist.

The limit of insurance may equal the full value of the project. Where only a limited percentage of the full project may be exposed to a single loss, coverage may be available for loss limit. When the project is finished, an appraisal is conducted to update any value changes.

Optional coverage can be requested to include "soft costs" not directly related to construction (financial costs, additional interest expenses, leasing and marketing expenses, legal and accounting expenses and miscellaneous carry costs) and delayed opening loss of income, should a delay in completion result in loss of revenue. Flood and earthquake coverage is also available upon request.

The following information will be requested to obtain an insurance presentation:

- ✓ Cost of project
- ✓ Description of project
- ✓ Copy of contract
- ✓ Type of construction of building, floor, roof, etc.
- ✓ Number of stories
- ✓ Protection (sprinklers, guards, fence, rails, etc.)
- ✓ Exact location
- ✓ Breakdown of phases in the project (beginning and end dates)