



**BUILDERS RISK FORM**

1. PROPERTY INSURED:

This policy insures, except as otherwise provided, materials, supplies, machinery, equipment, fixtures and similar property destined to become a permanent part of:

- The construction, installation or completion of building or structures, including foundations; or
- The improvement, alteration, repair or addition to existing buildings or structures;

which are insured by this policy, including while in transit to erection site within and between the 48 contiguous states of the United States & Canada.

This policy also insures forms, scaffolding and temporary structures while at the site of construction.

2. ATTACHMENT OF COVERAGE:

This policy covers from the time property is at risk of the insured during transit, while temporarily detained at locations and while at construction premises and thereafter until:

- (a) the interest of the Insured in property covered ceases; or
- (b) until the construction or renovation is completed and accepted;
- (c) In no event, however, the above provisions notwithstanding, shall this policy cover beyond , which is the expiration date of this policy.

3. PROPERTY AND INTEREST EXCLUDED:

This policy does not cover:

- (a) Property of others, unless the Insured has prior to loss assumed liability thereof, or is legally liable and then only to the extent of the Insured's liability;
- (b) Machinery, tools, equipment and property of a similar nature, except forms and scaffolding, and any other property except temporary structures as the site of construction, not destined to become a permanent part of the installation or structure; unless specifically endorsed hereon;
- (c) Trees, shrubbery, lawns, grass or plants;
- (d) Mechanical drawings, architect's drawings, plans, blueprints, designs or specifications, accounts, bills, deeds, evidences of debt, currency, money or notes;

- (e) Automobiles designed and licensed for highway use, aircraft or watercraft:

4. Valuation:

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, Except as provided in b and c below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair Or replace the damaged building property is \$2,500. Or less, we will pay the cost of the building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture

- c. Glass at the cost of replacement with safety glazing material if required by law.

Replacement Cost:

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - 1. Personal Property of others;
  - 2. Contents of a residence;
  - 3. Manuscripts;
  - 4. Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - 5. "Stock", unless the including "Stock" option is shown elsewhere in this policy.

Under the terms Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage.
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1) (2) or (3) subject to F below:
  - (1) The limit of Insurance applicable to lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e. (2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

5.

LIMITS OF LIABILITY

This Company shall not be liable for more than;

- (A)\$ any one loss, casualty or disaster including the salvage or other expenses or all combined.
- (B)\$ at any one jobsite/dwelling.
- (C)\$ while in transit;
- (D)\$ while held at any temporary storage location other than at location described herein.

6. DEDUCTIBLE:

In consideration of the rate of premium charged hereunder it is understood and agreed that each claim for loss or damage hereunder shall be adjusted separately and from the amount each separately adjusted claim the sum of \$ \_\_\_ shall be deducted. It is a condition of this policy that the deductible specified above shall be solely at the risk of the Insured, and shall not be covered by any other policy of insurance effected in the name of the Insured.

In the event of any recovery or salvage on a loss which has been or is about to be paid hereunder, such recovery or salvage shall accrue entirely to benefit of the Company under this policy until the sum paid by them has been made up.

7. INSURING AGREEMENT:

This policy insures against all risks of direct physical loss of or damage to the property covered hereunder from any external cause (including general average and salvage charges to shipments covered while water-borne) except as provided elsewhere in this policy.

8. PERILS EXCLUDED:

This policy does not insure against:

- (a) Loss caused by or resulting from unexplained loss or mysterious disappearance of property; or loss or shortage of property disclosed on taking inventory;

- (b) Loss or damage caused by or resulting from earthquake, volcanic action, mudflow, earth sinking, earth rising or shifting, landslide or other earth movement, except for property in due course of transit or unless by fire or explosion ensues, and then only for such ensuing loss;
- (c) Loss, damage or expense caused by, resulting from, contributed to or aggravated by any of the following:
  - (1) Flood, surface water, waves, tidal water or tidal waves, overflow of streams of other bodies of water, or spray from any of the foregoing, or all whether driven by wind or not;
  - (2) Water which backs up through sewers or basement drains;
  - (3) Water below the surface of the ground, including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveway, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways foundations, walls or floors;

unless loss by fire or explosion ensues, and then only for such ensuing loss. This exclusion shall not apply to property in due course of transit or to loss arising from theft;

- (d) Loss, damage or expense caused by or resulting from subsidence, settling, cracking shrinkage, bulging or expansion of pavements, foundations, walls, sidewalks, driveways, patios, floors, roofs or ceilings unless such loss results from a peril not excluded in this policy. If loss by a peril not excluded ensues, then this Company shall be liable only for such ensuing loss;
- (e) Loss, damage or expense to any property covered hereunder wherever situated, excepting property in custody of carrier for hire, caused by resulting from rain, snow, sleet, sand or dust, (whether driven by wind or not) unless the property is contained in a permanently enclosed building, or room of a partially constructed building, and wind or hail shall first make an opening in the walls, roof or ceiling of the building or room and, then, the Company shall be liable only for loss to the interior of the building or room, and the property contained therein, whichever is covered hereunder, caused by rain, snow sleet, sand or dust entering the building through such openings;
- (f) Loss, damage or expense caused by the neglect of the Insured to use all reasonable means to save and preserve property at and after any loss or damage;

- (g) (1) The cost of making goods faulty or defective workmanship or material, but this exclusion shall not apply to physical damage directly resulting from such faulty or defective workmanship or material or
- (2) Loss or damage caused by or resulting from fault, defect, error or omission in design, plan or specifications, but this exclusion shall not apply to loss or damage by fire, lightning, wind, hail, aircraft, vehicles, smoke, discharge from fire protection or building service equipment, explosion, riot or civil commotion, to the extent that such perils are insured against in this policy;
- (h) Loss, damage expense caused by or resulting from inherent vice, latent defect, wear and tear, gradual deterioration, rust, corrosion, dampness of atmosphere, wet or dry rot, mold, change in temperature, freezing, insects or vermin, unless loss by a peril not otherwise excluded ensues, and then only for such ensuing loss;
- (i) Loss, damage or expense to electrical systems, devices, or equipment, including wiring, due to short circuiting, blowout or other electrical injuries or disturbances caused by electrical currents artificially generated, unless loss by peril not otherwise excluded ensues, and then only for such ensuing loss;
- (j) Loss, damage or expense caused by or resulting from mechanical breakdown or derangement including rupture, bursting or disintegration of the rotating or moving parts of machines and machinery resulting from centrifugal or reciprocating force, unless loss by peril not otherwise excluded ensues, and then only for such ensuing loss;
- (k) Loss or damage to steam boilers, steam turbines, or steam engines caused by or resulting from bursting, rupture or explosion of such objects:
- (l) Loss, damage or expense caused by or resulting from any fraudulent, dishonest or criminal act by any partners, officers or employees or agents of the Insured, while working in the course of their employment or otherwise and whether acting alone or in collusion with others, or any others to whom the property covered may be entrusted except any carrier for hire, this exclusion, however, shall not apply to loss or damage by fire explosion;
- (m) Loss or expense occasioned by order of any governmental authority or by enforcement of any local or state ordinance or law regulating the construction, repair, or demolition of building(s) and structure(s);

(n) Loss of market or delay or any loss caused by or resulting from interruption of business or other consequential loss extending beyond the direct physical loss of or damage to the property;

9. OCCUPANCY CLAUSE:

This insurance shall be suspended while the premise is occupied unless the consent of the Company is obtained and endorsed heron, with proper rate adjustment. Temporary use of the premises for testing or other operations shall not be considered an occupancy within the meaning of this clause.

10. PARTS CLAUSE:

In the event of loss of or damage to any part or parts of an insured machine or any other article caused by a peril insured by the policy, the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred, provided, however, that in no case shall the liability of the Company exceed the amount of insurance on the complete machine or article.

11. PREMISES PROTECTION:

it is a condition of this insurance that the insured shall maintain so far as within his or their control such protective safeguards as were represented by the insured to be in effect while this insurance is in force.

12. PROVISIONAL AMOUNT:

The limit of liability at the Construction Site stated in Paragraph 5 is a provisional amount. It is a condition of this insurance, wherein the rate and premium are based on an average amount of liability during the period of construction, that at any date while this policy is in force, the actual limit of liability at the construction site is that proportion of the provisional amount that the replacement cost of the described property on that date bears to the projected value at the date of completion, but shall not in any case exceed the provisional amount.

13. COINSURANCE:

In consideration of the reduced rate at which this policy is written, it is a condition of this insurance that in the event of loss, this Company shall be liable for no greater proportion thereof than the provisional amount of insurance under this policy bears to the projected full value of the described property at the date of completion. If this policy covers two or more buildings under construction, the foregoing shall apply to each building separately.

14. DEBRIS REMOVAL:

It is a condition of this policy that this insurance covers expenses incurred in the removal of all debris of the property insured hereunder which may be occasioned by loss caused by any of the perils insured against in this policy. However, the total liability under this policy for both loss to property and removal of debris shall not exceed the actual amount of insurance hereunder. (See Paragraph 5 Limits of Liability). This Company shall not be liable for more than the proportion of such debris removal expense as the amount of insurance under this policy bears to the total amount of insurance on the property covered hereunder, whether or not such insurance includes this clause.

This Company shall not be liable for debris removal expense occasioned by the enforcement of any state or municipal law or ordinance which necessitates the demolition of any portion of the insured building which has or has not suffered damage by any of the perils insured against.

15. WAR RISK EXCLUSION CLAUSE:

The Company shall not be liable for any loss, caused directly or indirectly, by (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces, or (b) by military, naval or airforces; or (c) by an agent of any such government, power, authority, or forces; (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risk of contraband or illegal transportation or trade.

16. NUCLEAR EXCLUSION CLAUSE:

The Company shall not be liable for loss by nuclear reaction of nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction of nuclear radiation or radioactive contamination is insured against by this policy.

17. OTHER MATTERS:



Where in conflict, the foregoing provisions supersede the terms and conditions of the policy to which these provisions are attached.