

Builders Risk coverages and endorsements

A Builders Risk insurance policy that responds to the coverage needs of a specific construction project may be an effective way to manage the risk of unanticipated costs and delays. This fact sheet outlines Builders Risk coverage sublimits and additional endorsements which may be available. Keep it handy so that you and your customers can be better prepared, and help minimize the impact of the unexpected.



Additional Coverages with Sublimits	Summary
Backup or Overflow of Sewer, Drains or Sumps	Coverage on covered property damaged by water that backed up or overflowed from sewer, drain or sump.
Debris Removal	Expenses to remove debris of covered property after a covered cause of loss.
Fire Department Charge	Pays for fire department service charge resulting from the fire department being called to save or protect covered property from a covered loss.
Ordinance or Law	Coverage for enforcement of ordinances or laws that went into effect after the start of the construction project. New construction projects only.
Pollutant Cleanup and Removal	Expense to extract pollutants from land or water at covered location if the discharge of pollutants is caused by a covered loss.
Property at Other Temporary Location	Materials that are allocated or designated to become part of the covered property that is stored at a temporary location away from the covered location.
Property in Transit	Materials that are allocated or designated to become part of the covered property while in transit to covered location or temporary storage.
Scaffolding, Construction Forms and Temporary Structures	Coverage for damage caused by a covered loss to scaffolding, construction forms and temporary structures.
Scaffolding Re-erection	Cost to re-erect scaffolding that suffered a covered cause of loss.
Valuable Papers	Valuable papers or records that were damaged by a covered cause of loss.

Optional Coverage Endorsements	Summary
Better Green Coverage	Coverage for additional cost incurred with all risk of direct physical loss caused by an insured peril and associated with construction of a green building.
Change Order Coverage	Additional limit of insurance to cover increases in construction cost, provided such increases are evidenced by signed change orders prior to loss.
Claim Preparation Expense	Reimbursement of claim preparation expenses necessary to finalize a claim adjustment as a result of a loss.
Contract Penalties	Coverage for contractual penalties the first named insured is liable to pay under the provisions of a written construction contract for late or non-completion of construction as a result of direct physical loss or damage to covered property from a covered cause of loss at the project site.
Development/Subdivision Fences, Walls, Signs	Coverage for damage caused by a covered loss to development/subdivision fences, walls or signs.
Equipment Breakdown	This coverage extension will remove this exclusion and allow coverage for a breakdown if resulting from artificially generated electrical current; mechanical breakdown, rupturing or bursting caused by centrifugal force. This coverage extension is not extended to cover such loss if it resulted during the startup testing or commissioning of the equipment.
Expediting Expenses	Expenses incurred to expedite permanent repair or replacement of lost or damaged covered property to protect the property from further damage.
Interest of Subcontractors, Sub-subcontractors, Suppliers	Covers the interest that sub-subcontractors and suppliers have in the covered property, but only while such property is situated at the "project site" of the insured.
Named Storm Deductible	The windstorm deductible will be applied when there is a named storm; otherwise, the "all other peril" deductible will apply to the covered loss.
Permission to Occupy	Replaces "when coverage begins and ends is" with the following: "when coverage begins and ends with permission to occupy."
Rain, Snow, (Ice), or Sleet Limited Coverage	Policy excludes damages to covered property caused by rain, snow, ice or sleet unless within an enclosed structure. This endorsement replaces the exclusion and provides limited coverage to covered property.
Soft Cost "Zurich Form"	Coverage for soft cost that would not have been otherwise incurred except for a delay in the anticipated completion date of the project at the location you have reported to us. See forms 40660 and HBIS 88 for list of covered expenses.
Testing of Building Systems relevant to "Hot Testing"	Testing, start-up, commissioning, examination or trial of covered property to prove its ability or function.
Time Element	Actual loss of business income incurred due to a covered cause of loss. The insured must have exposure for loss of income or rents.

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