

Zurich's Builders Risk Program



Get access now!

It's simple to quote and issue builders risk policies online. Just register or log in to your account at:

www.ZurichBuildersRisk.ca

Program Highlights

Zurich's Builders Risk online product has been specially created to protect the property interests of builders and owners. The Builders Risk policy is insured by Zurich and available exclusively through US Assure¹. Coverage highlights include the following:

- New construction or remodeling projects
- Commercial or residential projects
- Non-combustible projects with total completed values up to \$15 million
- Frame projects with total completed values up to \$15 million
- Ability to cover profit if included in the total estimated completed value
- Ability to write policies in protected and unprotected town grades
- 13 additional coverages automatically included
- Optional coverages available, including: flood, earthquake, soft costs, equipment breakdown, green building, business income, extra expense, and more

- Coverage and limits can be customized to the unique needs of your customer and project
- Flexibility to issue the Builders Risk policy in the name of the builder, owner or both entities
- Ability to insure construction projects that have already started
- Remodeling policies can also insure the existing structure, on an actual cash value basis, as long as the improvement represents at least 20 percent of the existing structure value

Eligibility Criteria

Contractor experience

Policies written through our Builders Risk online product require the builder, general contractor or remodeler overseeing the project to have at least two years experience working as a project manager on similar projects.

Experience includes the total number of years involved in construction management overseeing similar projects.

Capacity

Zurich's Builders Risk online product has capacity for commercial and residential projects, including remodeling projects:

- **Frame construction** with total completed values up to \$15 million
- **Non-combustible construction** with total completed values up to \$15 million

Projects that exceed these criteria may be submitted to a Zurich construction underwriter, subject to middle market appetites, minimum premiums and guidelines.

Eligible new construction projects

Residential projects such as, but not limited to, the following examples:

- Single family dwellings
- Custom homes
- Modular homes
- Residential structures up to 4 units

Mobile homes and large residential developments are not eligible for our Builders Risk online product.

Commercial projects such as, but not limited to, the following examples:

- Office buildings
- Retail stores
- Strip malls
- Medical offices
- Restaurants
- Storage units
- Warehouses
- Residential structures more than 4 units

Term policies are available full year and fully earned with the option to renew for a full year and cancel pro-rata.

Eligible remodeling projects

- **Basic remodeling** – remodeling of interior finishes, replacement of interior fixtures, cabinets, flooring, etc. (no changes made to the exterior structure)
- **Minor structural remodeling** – remodeling work as listed above, and includes minor changes to the exterior structure, such as doors, windows, skylights and nonstructural changes like HVAC, plumbing and electrical
- **Major restructuring** – remodeling work that includes repair, replacement or removal of any load-bearing walls or foundation or the addition of storeys, stairways and elevators

When insuring existing structures, improvements or renovation must represent at least 20 percent of the existing structure value.

Term policies are available for six, nine or twelve months with the option to extend the policy term for one to twelve months.

Buildings that are listed on a historical registry or structures that have been moved, or will be moved, are not eligible for Zurich's Builders Risk online product.

Guidelines

Minimum premium

The minimum premium for new construction and remodeling policies is \$400.

First year policies are fully earned but renewals may be cancelled pro-rata and will not be subject to a minimum retained premium.

Deductibles

- \$1,000 minimum deductible – projects under \$1.5M
- \$2,500 minimum deductible – projects between \$1.5M and \$2.5M
- \$5,000 minimum deductible – projects over \$2.5M





Additional Coverages

Zurich identified the most common needs of builders and remodelers and included them automatically as part of our Builders Risk online product. We've also given you the ability to customize these limits for your customer's new construction projects.

Additional Coverage	Default Limit
Back-up of sewers, etc.*	\$25,000
By laws, demolition and increased cost of construction	Included
Debris removal*	\$50,000
Fire department charge*	\$25,000
Model home contents	\$10,000
Pollutant clean-up*	\$25,000
Preservation of property	Included
Property at a temporary storage*	New construction: Greater of \$25,000 or 5% of TCV Remodel: \$10,000
Property in transit*	New construction: Greater of \$25,000 or 5% of TCV Remodel: \$25,000
Rewards*	\$25,000
Scaffolding, construction forms, temporary structures*	\$50,000
Scaffolding re-erection*	\$25,000
Valuable papers*	\$50,000

* Indicates limits can be increased for new construction.
TCV = Total completed value

Optional Coverages

The following optional coverages can also be selected with the limit your customer needs for their project:

- Business income and extra expense
- Equipment breakdown
- Change order endorsement
- Deletion of co-insurance clause
- Existing buildings coverage
- Earthquake
- Flood
- Green building coverage
- Permission to occupy
- Soft costs
- Testing coverage of building systems (hot testing)

Business income and extra expense

- Available for select new construction policies only – insure loss of business income and extra expense when there is a delay in the project's completion due to a covered loss.

Change order endorsement

- Protects residential and small commercial projects from being under-insured due to unreported changes, such as increases in the cost of labour or materials and changes in construction specifications, during construction.
- This endorsement is available for both new construction and remodeling projects and can be added at policy inception or mid-term in increments of 10, 20, or 30 percent of total completed value.

Existing building coverage

- Remodeling projects have the option to insure the existing structure as part of the builders risk policy.
- Existing structure valuation is based on an actual cash basis.

Green building coverage

- Available for both new construction and remodeling projects, your customer is able to insure the most common expenses incurred to recover to 'green standards' after a covered loss.

Soft costs

Available for new construction projects only – coverages to protect your customer against the following indirect project costs:

- Advertising and promotional expense
- Interest on construction loans
- Architects, engineers and consultants' fees
- Real estate and property tax assessments
- Commissions or fees for the renegotiations of leases
- Insurance premiums
- Legal and accounting fees
- Fees for licences and permits

When Coverage Begins

Coverage begins once any materials are delivered to the construction site. Materials are defined as the supplies and resources that will be part of the completed structure and include the foundation and footings.

The following conditions will terminate coverage:

- Once the insured's interest in the property ceases
- 30 days after occupancy unless the building is being used as a model home or a 'model home leaseback'
- For a single family dwelling – when it is 100 percent leased or rented
- For multiple family dwellings – when more than 50 percent is leased or rented to others
- For commercial structures - when more than 75 percent is leased or rented to others
- If the project is abandoned
- Upon expiration of the policy
- If permanent property insurance applies
- When the property is accepted by the owner or buyer

Builders Risk Reward Program

One of the biggest concerns facing builders today is the risk of losses from theft, vandalism or arson. Zurich supports you in the fight against crime!

Our Builders Risk online product includes the Builders Risk Reward Program which helps to protect construction sites from criminal activities and aids in maintaining low insurance premiums.

The program offers cash rewards up to \$25,000* to persons providing information leading to the arrest and conviction of a person or persons committing theft, vandalism or arson at construction sites insured by Zurich's Builders Risk online product. Recipients must be 18 years of age or older.

**Rewards vary depending on the seriousness of the crime and amount of property damage and are only paid upon conviction of the criminal(s). Rewards are disbursed in accordance with established Builders Risk online Reward Program guidelines. Insureds, builders, developers, their employees and/or family members are encouraged to report criminal acts; however, these parties are ineligible for rewards.*

To learn more about Zurich's Builders Risk, contact your broker, visit us online at www.zurichcanada.com/buildersrisk or call **1-888-888-9883** (US Assure).

Zurich Canada

416-586-3000

www.zurichcanada.com

1. US Assure is the exclusive program administrator and services provider for the Builders Risk program insured by Zurich Canada.

The Zurich logo and Zurich are trademarks of Zurich Insurance Company Ltd

This is intended as a general description of certain types of insurance and services available to qualified customers through Zurich Insurance Company Ltd in Canada ("Zurich" or "Zurich Canada"). Your policy is the contract that specifically and fully describes your coverage. The description of the policy provisions contained herein gives a broad overview of coverage and does not revise or amend the policy.

