FRAME, FRAME AND MORE FRAME

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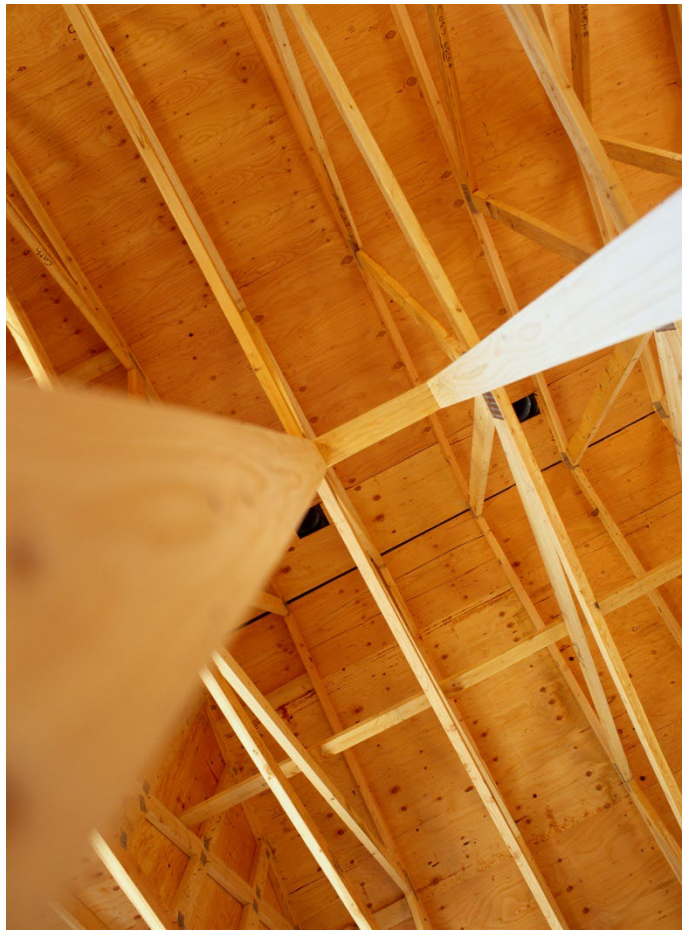
UNDERSTANDING CONSTRUCTION CLASSIFICATIONS

- There are two important factors in determining a construction classification:
  - Building elements
  - Fire Resistance rating
- To properly classify a building, you need to be able to answer the following:
  - *What materials make up the frame?*
  - *What materials make up the interior and exterior bearing walls?*
  - *What materials make up the floor construction?*
  - *What materials make up the roof construction?*
  - *What is the fire rating of these materials?*



UNDERSTANDING CONSTRUCTION CLASSIFICATIONS

- **Construction Costs**
  The correct classification helps to provide an understanding of the materials used to construct the building and the replacement cost following a loss.

- **Determining Susceptibility to Risk**
  Construction classifications are used by catastrophe modeling programs to analyze how likely a building is to sustain losses due to fire, windstorm, or seismic risk events.

- **Insurance Cost**
  Insurance premiums are based on many factors including construction classification.

WHAT IS FRAME?

- Buildings with interior walls, exterior walls, floors and roofs made with combustible materials (usually wood).
- Some exterior walls may be constructed with noncombustible or slow-burning materials. The use of masonry veneer and metal clad do not change the construction.
- Mixed construction is becoming more popular in parts of the county.
  - *For example, the first floor is masonry and all other floors are frame.*
  - ***The risk is underwritten based on the weakest point of the structure.***
- Fire walls and sprinkler systems are considered when the project is near completion and for remodeling projects with existing structure.

WHAT IS FRAME?

Walls are constructed of wood or other combustible materials, including when combined with other materials such as:

- Brick veneer
- Stone veneer
- Wood ironclad
- Stucco on wood

FRAME – INCREASED EXPOSURES

- Mixed Construction
- Coastal Guidelines
- Multi-Family
- Veneer Construction
- ISO Protection Classes 9 and 10

ADVANTAGES OF FRAME

Advantages:

- ✓ Simplicity and speed of construction
- ✓ Economical
- ✓ Insulation
- ✓ Improved air quality
- ✓ Sustainability
- ✓ Resistance to rust
- ✓ Availability and commonality

DISADVANTAGES OF FRAME

Disadvantages:

- Fire can spread rapidly
- Wood rot
- Structural limitations
- Building code limitations
- Highly damageable
- Increased insurance cost

RESIDENTIAL CONSTRUCTION UPDATE

Housing Starts

(single family detached)

Cost of Lumber

Shortage of Labor

Taking longer to build

Increasing Cost

92% of new homes were wood-frame in 2021

VICTOR'S BUILDERS RISK PROGRAM

- Up to $5 million frame limit
- Residential and commercial projects (up to $5M)
- Available in 48 states
- 19 automatic coverages
- Our portal, V^2, allows you to seamlessly quote, bind and issue the majority of frame structures built nationwide (most applications submitted will not be referred to an underwriter)

“PASS THROUGH” RISK

What’s a “pass through” risk?

A “pass through” risk is any case submitted into V² that does not generate an underwriting hold and flows from quote to bind to issue.

If your client does not need to increase the limit of automatic additional coverages or add any optional coverages, and you can answer, “yes,” to the following questions in your V² submission, your quote will not generate an underwriting hold and you will receive your quote in minutes.

Q. Is the project ground-up, new construction?
Q. Is the project less than 30% complete?
Q. Does the project type fall within protection classes 1-7?
Q. Is this a new construction project with a completed value of:
- *$1.5 million or less (coastal)*
- *$3 million or less (inland)*

Q. Does the builder, remodeler, owner or general contractor have at least 2 years’ experience?

QUESTIONS?

YOUR EXPERIENCED BUILDERS RISK TEAM

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THANK YOU