



NEW AUTOMATIC COVERAGES: GREEN BUILDING RECERTIFICATION AND CONTRACT PENALTIES

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GREEN BUILDING RECERTIFICATION

New Automatic Coverage

We will pay for costs for recertification to the level of “green certification” that was achieved prior to the date of direct physical loss or damage caused by a Covered Cause of Loss to a covered building or structure, including costs for certification fees and costs for certified consultants and engineers required for “green certification.”

The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Green Building Recertification.

Limit: \$10,000



GREEN BUILDING RECERTIFICATION

Claim Example

Homeowner seeks out a custom homebuilder who specializes in LEED certified construction.

The home is 90% complete and has been built to meet all LEED certifications required.

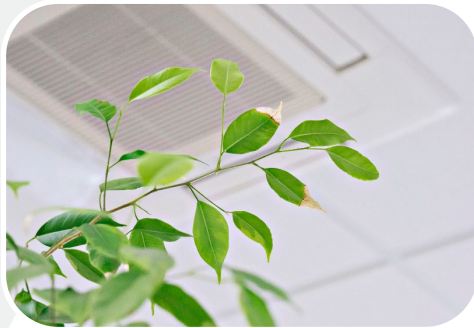
A fire destroys the home and now has to be rebuilt. Once complete the home must be recertified.

Our coverage will automatically pay up to \$10,000 for the level of “green certification” that was achieved prior to the date of loss.

GREEN BUILDING COVERAGE ENDORSEMENT

Not included as an automatic coverage

Green construction costs mean the necessary and reasonable costs relating to complying with “green certification” standards in the construction, erection, or fabrication of a covered “building or structure.”



Restore Indoor air
quality



Divert Recycling
debris



Cost to buy
Replacement
Electricity or Water

CONTRACT PENALTIES

New Automatic Coverage

If the Named Insured is a general contractor, we will pay contractual penalties that the Named Insured is legally liable to pay under the provisions of a written construction contract signed prior to the start of construction for late or non-completion of construction due to direct physical loss or damage to Covered Property from a Covered Cause of Loss at the location which you have reported to us.

The most we will pay for this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Supplemental Declarations for Contract Penalties. No deductible applies to this Additional Coverage. Paragraph 2.b. of Section B. EXCLUSIONS does not apply to this Additional Coverage.

Limit: \$10,000



CONTRACT PENALTIES

Claim Example

Our named insured is a General Contractor who entered into a written contract prior to the start of construction.

A tropical storm damages the home under construction.

Due to the covered loss, there is a penalty for late completion of the project.

Our coverage will automatically pay up to \$10,000 to cover the penalty for late completion of the project.

OTHER ESSENTIAL COVERAGES IN OUR PROGRAM

Soft Costs

- “Soft Costs” means reasonable expenditures which are necessarily incurred during the “delay period” that would not have been incurred by you if the “delay period” had not occurred.
- We will pay the actual “soft costs” arising out of the “delay period” to the extent such expenses are actually and necessarily incurred by you to enable you to begin your operations in the manner originally planned.
- The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Soft Costs.



OTHER ESSENTIAL COVERAGES IN OUR PROGRAM

Soft Costs

For more information on soft costs, check out our available resources:

- [Webinar: “Understanding Soft Costs”](#)
- [Article: “Understanding Soft Cost Coverage – Are Your Clients Covered?”](#)
- [Soft Cost Worksheet PDF](#)

OTHER ESSENTIAL COVERAGES IN OUR PROGRAM

Property in Transit



- \$500,000 automatically covered in base form at no additional premium.
- Insured does not have to rely on the insurance of the company responsible for the delivery of building materials.
- Pays for property that is destined to be part of a structure.
- Fills in a potential gap in coverage.

OTHER ESSENTIAL COVERAGES IN OUR PROGRAM

Property at a Temporary Storage Location



- \$500,000 temporary storage covers property at a location other than what has been reported on the policy.
- At times, insureds have to store materials due to delays in construction.
- This coverage is critical.

“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?

YOUR EXPERIENCED BUILDERS RISK TEAM



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QUESTIONS?





THANK YOU