

BUILDER'S RISK INSURANCE



MANAGE YOUR CONSTRUCTION RISK WITH HELP FROM OUR BUILDER'S RISK COVERAGE.

For projects that are under construction, the exposures and financial consequences of loss can change as work progresses. So, in many ways, they're more vulnerable to a loss than a finished project.

Only builder's risk coverage is designed to meet the unique needs of property owners and contractors who are engaged in the construction of, or addition to, offices, warehouses, industrial buildings, retail stores, roads, bridges, schools, medical facilities, and other structures.

You can't always avoid losses, so purchasing insurance to protect your construction projects is a prudent way to manage your risk. With The Hartford's Builder's Risk coverage, you'll have the protection you need – and the service you expect – to keep your operations going. All from The Hartford, a company that understands your business's unique needs.

BUILDER'S RISK KEY FEATURES

- There's no coinsurance clause
- The policy provides coverage not just for materials and labor, but also for your earned profit up to the time of a covered loss
- Covered property is broadly and explicitly defined so that you know exactly what's covered – from foundations and underground pipes to temporary structures, trees and shrubs
- The policy covers construction materials on a replacement-cost basis
- When a covered loss occurs, our Green Builder's Risk coverages:
 - » Extend protection to numerous green items
 - » Provide additional coverage for green building commissioning and certification expenses, vegetative roofing, debris recycling and indoor air quality restoration
- We offer a flexible product offering for project-specific coverage (Project Builder's Risk) and open reporting (Master Builder's Risk)

Prepare. Protect. Prevail.®

continued



EXPERIENCED MARINE SPECIALISTS TO ASSIST YOU

With The Hartford, you also get:

- Marine specialists who have the knowledge and experience to work with your insurance agent or broker to help them protect your business and your project with Builder's Risk and other inland marine coverages
- Construction Risk Engineering specialists and resources that can help you avoid losses
- Claim specialists who understand builder's risk and property coverage, and who deliver prompt and fair claim service when a loss occurs

CHOOSE THE HARTFORD

When you choose The Hartford, you not only get broad coverage and excellent claim service, you get the peace of mind that comes from knowing your business is covered by an insurer with 200+ years of experience and commitment to keeping our promises to our policyholders.

You can simplify your company's risk management program by trusting The Hartford to protect your business with:

- Contractor's equipment coverage to protect your valuable tools and equipment
- Property coverage to protect your business's personal property

COVERAGE HIGHLIGHTS

Covered Property

The Hartford's policy defines covered property broadly to include foundations, underground pipes, wiring, machinery, fixtures, temporary structures, cribbing, false work, fencing, scaffolding and construction signs, trees, shrubs, sod and plants.

Debris Removal

Debris removal and disposal costs continue to escalate. They may even exceed the cost of your physical property loss. We cover up to the first \$100,000 in full (subject to the deductible) or if the expense is greater than \$100,000, 25 percent of the amount payable up to a maximum of \$1 million. And, you'll have 180 days to report the loss.

Contractor's Earned Profit

The Hartford's Builder's Risk policy does more than cover the costs of labor and materials for new construction. For contractors, it specifically protects the profit you've earned. Based on the profit assumptions originally built into the job estimate, we'll reimburse you for the pro rata percentage of profit earned as of the date of the loss. So you can protect your income as well as your outlay.

Escalation Clause (Optional)

The cost of building materials and labor can fluctuate significantly from the start of a project through its completion. To protect contractors from unanticipated increases in cost, The Hartford offers optional coverage to provide an additional \$500,000 limit in the event of a total loss for the increased cost of labor, materials or changes in construction specifications.

Modular Components

The use of modular components is increasingly common. These components are often stored offsite until they're needed. With The Hartford's Builder's Risk, you'll have coverage for modular components while they're in temporary storage and while they're in transit. The storage location doesn't need to be stated in the policy, so you'll have coverage wherever they're located.

Ordinance or Law

Like material costs, building codes and requirements can change a great deal between the start of a project and the time reconstruction begins after a loss, resulting in changes to project plans and costs. The Hartford includes coverage for losses caused by the enforcement of codes, laws or ordinances in force at the time of loss.

Pollutant Cleanup and Removal

When a fire or other covered cause of loss occurs at the project site, pollutants may be released causing damage to land or water. When this happens, the policy covers legally imposed expenses you'll have, up to \$10,000 for any one occurrence and \$25,000 per policy year, to remove or extract pollutants from land or water.

Testing

Losses sometimes result from testing of newly installed equipment. The Hartford's Builder's Risk policy extends coverage to physical loss caused by electrical, mechanical, pneumatic and hydrostatic testing. Broader testing coverage may be available by endorsement to apply to boilers, pressure vessels, production equipment and power generation equipment.

Replacement Cost

Having the right valuation clause is an important aspect of protecting your insurable interest in a project. Some valuation clauses may not provide sufficient funds to cover the cost of new materials after a loss. That's not a problem when you choose The Hartford's Builder's Risk. We provide replacement cost coverage equal to the value of the property you own - without a deduction for depreciation.

Property of Others

Coverage is typically limited to property you own. With The Hartford, you'll also have coverage for the property of others for which you're responsible, while that property is on-site.

Valuable Papers and Electronic Data

Contractors rely on blueprints, schematics and other paper and electronic documents and data to do their work. When these valuable papers or electronic data are damaged or destroyed by a covered cause of loss, you'll automatically have up to \$100,000 to research, restore and replace them.



Transit

Contractors move building materials, supplies and equipment from offsite locations to the project site exposing them to loss in transit. The Hartford can customize coverage to include the limits most appropriate for you.

Temporary Storage

Building materials, supplies and equipment are often stored temporarily at locations away from the construction site until they're needed. The Hartford can customize coverage to include the limits most appropriate for you.

Green Builder's Risk

The use of green construction methods and supplies is becoming more common. At The Hartford, we automatically extend your Builder's Risk coverage form to include the following coverages:

- Coverage to include building commissioning expenses for a qualified engineer to supervise the repair or replacement of covered property and recertification fees to apply to the Green Authority, to certify or re-certify covered property to its pre-loss budgeted level of certification
- Additional limits for debris recycling expense to divert debris of covered property to recycling facilities rather than landfills and indoor air quality expense to ventilate or flush out air systems to meet or restore indoor air quality to the standards established in your pre-loss indoor air quality management plan
- Vegetative roofing

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Permission to Occupy

The Hartford's Builder's Risk coverage permits you to occupy covered property during the course of construction.

Architects and Engineering Expenses

Coverage is extended to include expenses for architect's and engineer's services that you incur following a covered cause of loss.

Fungus, Wet Rot, Dry Rot, Bacteria and Virus

We'll pay up to \$100,000 for loss to covered property by fungus, wet rot, dry rot, bacteria or virus.

One Deductible

If multiple deductibles apply to the same loss, we'll only apply the largest applicable deductible to the item for which the claim is made.

Expediting Expense

We provide up to \$25,000 for additional costs you incur following a covered cause of loss to covered property to allow you to meet the contracted completion date of your construction project. Such costs may include the costs to expedite replacement parts or materials, additional labor expense and rental expense for additional equipment.

Contract Penalties

We provide up to \$50,000 for written contract penalties that you're required to pay due to your inability to complete your project as a direct result of a covered cause of loss to covered property.

LEARN MORE about available coverage options by talking with your agent for The Hartford today. And visit thehartford.com/marine.

This document outlines in general terms the coverages that may be afforded under a policy from The Hartford. All policies must be examined carefully to determine suitability for your needs and to identify any exclusions, limitations or any other terms and conditions that may specifically affect coverage. In the event of a conflict, the terms and conditions of the policy prevail. All coverages described in this document may be offered by one or more of the property and casualty insurance company subsidiaries of The Hartford Financial Services Group, Inc. Coverage may not be available in all states or to all businesses. Possession of these materials by a licensed insurance producer does not mean that such producer is an authorized agent of The Hartford. To ascertain such information, please contact your state Department of Insurance or The Hartford at 1-888-203-3823. All information and representations herein are as of April 2016.

In Texas, the insurance is underwritten by Hartford Accident and Indemnity Company, Hartford Fire Insurance Company, Hartford Casualty Insurance Company, Hartford Lloyd's Insurance Company, Hartford Insurance Company of the Midwest, Trumbull Insurance Company, Twin City Fire Insurance Company, Hartford Underwriters Insurance Company, Property and Casualty Insurance Company of Hartford and Sentinel Insurance Company, Ltd.

The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries, including Hartford Fire Insurance Company. Its headquarters is in Hartford, CT.



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HARTFORD**

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