



BUILDERS' RISK ENDORSEMENT (Applicable to Renovations Under Construction)

For an additional premium, *we* provide coverage under this endorsement subject to the *terms* contained in the General Policy Provisions.

WHAT *WE* PAY FOR

We pay for direct physical loss to renovations under construction caused by the following causes of loss, except as excluded or limited by *your* policy:

1. **Fire or Lightning-***We* do not cover loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated. If a fire ensues, *we* will pay only for the loss caused by such fire.
2. **Removal-**meaning direct loss by removal of the property covered under this endorsement from covered premises endangered by a covered cause of loss.
3. **Explosion-**meaning direct loss or damage caused by explosion including loss or damage from the explosion of gas or fuel in the fire box, combustion chamber or flues.

We do not cover loss or damage caused by:

- a. explosion of steam boilers, steam pipes, steam turbines or steam engines if owned, leased by or operated under the control of any *insured*;
 - b. shock waves, known as "sonic boom", caused by aircraft;
 - c. electric arcing;
 - d. rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - e. water hammer;
 - f. rupture or bursting of water pipes;
 - g. rupture, bursting or operation of pressure relief devices; or
 - h. rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. **Windstorm or Hail-***We* do not cover loss:
 - a. caused directly or indirectly by frost, cold weather, ice (other than hail), snow or sleet, all whether wind driven or not;
 - b. to the interior of a building or to the property inside, caused by dust, rain, sand, sleet, snow or water, all whether wind driven or not, unless these elements enter through an opening in the roof or walls resulting from damage caused by the direct force of wind or hail.
 5. **Riot or Civil Commotion-***We* also cover loss or damage resulting directly from pillage and looting which occurs during a riot or civil commotion where the riot or civil commotion is taking place. *We* also cover loss or damage caused by striking employees of the owner or tenant of the building under renovation while occupying the described building under renovation.
 6. **Aircraft-**meaning loss or damage caused directly by actual physical contact of the aircraft with covered property. Aircraft includes spacecraft and self-propelled missiles as well as objects falling from aircraft.
 7. **Vehicles-**meaning loss or damage caused directly by actual physical contact of a vehicle, or an object thrown by a vehicle, with covered property.

We do not cover loss or damage caused by vehicles:

 - a. owned, leased or operated by *you* or by any occupant of the premises; or
 - b. to fences, driveways or walks.
 8. **Smoke-***We* do not cover loss from smoke from industrial operations or agricultural smudging.
 9. **Vandalism-**meaning willful and malicious damage to or destruction of covered property.

We do not cover loss:

 - a. to glass or safety glazing material (other than glass building blocks) which is a part of a building, structure or outdoor sign; but *we* will pay for loss or damage to other property caused by or resulting from breakage of glass by vandals;
 - b. caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

10. **Sinkhole Collapse**-meaning the sudden settlement or collapse of earth supporting the covered property. The earth settlement or collapse must be the result of subterranean voids created by the action of water on limestone or similar rock formations. *We* do not cover the value of the land or the cost of filling sinkholes.
11. **Volcanic Action**-meaning volcanic action, airborne volcanic blast or airborne shockwaves, ash, dust or particulate matter or lava flow. All volcanic eruptions occurring within a 72 hour period will constitute a single *occurrence*. *We* do not cover removal of ash, dust or particulate matter that does not cause direct physical loss to the described property.

Renovations under construction means the following type of property for which a Limit of Insurance is shown in the Declarations:

1. The actual cash value of materials and labor comprising the value of improvements, installations, alterations or repairs installed in the building(s) under renovation described in the declarations; including
 - A. Foundations;
 - B. If intended to become a permanent part of the building(s) under renovation described in the Declarations, the following property is covered while in or on the building(s) under renovation or within 100' of the premises:
 - 1) fixtures, machinery and equipment used to service the building(s); or
 - 2) *your* building materials and supplies used for renovation.
2. If not covered by other insurance, *we* will pay for covered loss to temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

WHAT *WE* DO NOT PAY FOR

1. The value of the building existing prior to renovation;
2. Land, including the land on which the building is located. This includes, but is not limited to, the cost of grading, filling, excavating, and other similar activities;
3. Lawns, trees, shrubs and plants;
4. Radio and television antennas including their lead-in wiring, masts and towers;
5. Signs;
6. The cost to remove or extract pollutants including the cost of debris removal or disposal. A pollutant means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
7. Loss of use;
8. Loss or damage to machinery, tools, equipment or mobile structures;
9. Loss or damage to paved surfaces, pilings, piers, wharves or docks; or
10. Loss or damage, including but not limited to collapse, due to faulty design, plans, specifications or workmanship.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM

The following conditions apply in addition to those shown under **How Much *We* Pay For Loss Or Claim**:

1. Coinsurance Clause.

We require that the limits of insurance be maintained at 100% of the completed value of renovations. *We* will not be liable for a greater proportion of any loss than the applicable Limit of Insurance bears to 100% of the completed value of the renovations.
2. *You* may waive subrogation as to any party only with *our* written permission in advance of any waiver.
3. Coverage under this form terminates when one of the following first occurs:
 - a. this policy terminates or expires;
 - b. the renovation work is completed and accepted by the purchaser;
 - c. *your* interest in the property ceases;
 - d. *you* abandon the renovation;
 - e. the lapse of 90 days after completion of renovations; or
 - f. the renovated building(s) is put to its intended use.