

**Brinkmann “Builders Risk” Insurance Requirements
(Owners)**

Perils of Loss

- ❖ Requested Limits of Coverage (Earth Movement, Flood, Named Storm, Water Damage).....Full limits

Coverage Extensions - Sub-Limits of Coverage:

- ❖ Debris Removal..... \$10,000,000
- ❖ Ordinance Or Law – Demolition and Increased Cost of Construction \$10,000,000
- ❖ Pollutant Clean-Up and Decontamination – Insured Project Aggregate..... \$2,500,000
- ❖ Expediting Expenses / Contractor’s Extra Expense / General Conditions Expense \$2,500,000
- ❖ Owner’s Extra Expense..... \$1,000,000
- ❖ Transit - Per Occurrence \$1,000,000
- ❖ Temporary Offsite Location - Per Location \$1,000,000
- ❖ Preservation of Property Protection Expense (Number of Days: 90) \$1,000,000
- ❖ Fire Protection Service Charge/Equipment Refills..... \$1,000,000
- ❖ Damage to Existing Real Property from Construction Operations \$500,000
- ❖ Fungus, Wet Rot, Dry Rot or Bacteria \$500,000
- ❖ Government Authority Protection Service Charges \$500,000
- ❖ Contract Penalties, Design Professional Fees, Spare Construction Materials..... (Each Sub-Lim.) \$250,000
- ❖ Civil Authority / Ingress or Egress: 30 Number of Days and within 2 miles of project site \$250,000
- ❖ Infrastructure Extra Expense..... \$100,000
- ❖ Claim Preparation Expense \$100,000
- ❖ Construction Documentation, Valuable Papers, and Records..... \$100,000
- ❖ Construction Trailers \$100,000
- ❖ Crane Re-Erection Expense \$100,000
- ❖ Radioactive Contamination – Insured Project Aggregate \$100,000
- ❖ Reward Payments..... \$100,000
- ❖ Scaffolding, Forms or Falsework Re-erection Expense..... \$100,000
- ❖ Fine Arts (If Applicable) \$100,000
- ❖ Crisis Event Management: 30 Number of Days..... \$50,000
- ❖ Electronic Vandalism / Electronic Vandalism Extra Expense – Insured Project Aggregate \$25,000
- ❖ Miscellaneous Personal Property of Others..... \$25,000
- ❖ Dishonest Acts \$10,000
- ❖ Prevention of Access
- ❖ Time Element (Soft Costs, Loss of Rents, Loss of Income) Varies per Project * **Refer to Soft Costs Worksheet**
- ❖ Off Premises Service Interruption – Direct Damage..... **Included ***
- ❖ Furniture and Fixtures **Included ***
- ❖ Landscaping Materials **Included ***
- ❖ Ordinance Or Law – Undamaged Portion of The Insured Project..... **Included ***
- ❖ Testing..... **Included ***

* **Included means the coverage is included up to the Project Limit of Liability, or if applicable, the applicable Construction Classification Limit of Liability.**

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Soft Costs Worksheet

What is Builder's Risk – Soft Costs Coverage? The additional expenses which result from a delay in the completion of the project beyond the date it would have been completed had no "loss" occurred. Soft cost coverage is generally written to compensate the insured for expenses over and above the original budgeted costs. The delay must be due to direct physical "loss" to covered Property and be caused by or result from a Covered Cause of Loss.

- ❖ **Additional Interest** - The additional interest on money borrowed to finance the construction or repair.
- ❖ **Advertising & Promotional Expenses** - The additional advertising and promotional expenses which become necessary as a result of a delay in the completion of the project.
- ❖ **Architectural and Engineering Fees** - The additional architectural and engineering fees which become necessary as a result of a delay in the completion of the project.
- ❖ **Bond Interest** - Bond interest payments that become due and must be paid whether the project is habitable or not.
- ❖ **Construction Load Fees** - Additional commissions or loan fees incurred in rearranging financing necessary for the completion of the project.
- ❖ **Debt Service Payments** - Interest payments and/or principal payments that become due and must be paid whether the project is operational or not.
- ❖ **Fees for Letters of Credit, Trustee, Remarketing of Bonds** - Additional costs incurred in the event it becomes necessary to refinance the project as a result of the delay in completion.
- ❖ **Founders Fee Refunds** - Founders fee refunds are defined as deposits made by prospective occupants, and a refund of said deposits might become necessary if the project is delayed. If payment by the insurers is necessary for founder's fee refunds, any new founders' fees later collected by the insured on the same property will be applied to reduce the loss payment made under the policy.
- ❖ **General Overhead** - Developer - General overhead and administration expenses incurred, including but not limited to additional clerical personnel, consultants' fees, temporary office space, additional security, and similar expenses.
- ❖ **Insurance Premiums** - Additional premiums charged under insurance policies for renewing or extending policies to continue coverage during the period of delay.
- ❖ **Leasing Expenses** - Additional costs of re-negotiating and pre-leasing of the project as a result of a delay in the scheduled opening date.
- ❖ **Legal and Professional Fees** - Additional accounting work incurred in renewing or restructuring the financing, other professional fees as a result of additional costs and expenses of the project and additional legal work incurred in renegotiating and preparing revised contracts and other documents.
- ❖ **License and Permit Fees** - The additional license and permit fees which become necessary as a result of a delay in the completion of the project.
- ❖ **Loss of Gross Earnings** - The actual loss of income resulting from delay beyond the projected completion date.
- ❖ **Rents and Rental Value** - The actual loss of net rental income resulting from delay beyond the projected completion date. Not more than the reduction in rental income less charges and expenses which do not necessarily continue or arise because of the delay.
- ❖ **Real Estate Taxes or Other Assessments** - The additional real estate taxes or other assessments incurred for the period-of-time that construction is extended beyond the completion date.
- ❖ **Refinancing Charges** - The additional costs expended by the insured solely to obtain new financing for the project should the financing expire or fail to be renewed.

For Questions about Insurance Requirements:

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