

BUILDER'S RISK UNDERWRITING RULES AND ENDORSEMENTS

A. Underwriting Rules:

Any building in the process of construction should be insured as soon as materials are on the premises ready for construction. The company requires that the amount of insurance be written for **100%** of the completed value. The policy must be written for one year, but semi-annual billing is available. This policy cannot be used for commercial builders. We will insure up to four (4) dwellings under construction per builder at any one given time. More than four dwellings will require a commercial policy be written.

B. Builder's Risk Endorsements for new construction:

1. Endorsement #1 (KCM 111) provides theft of building materials while at the location of the dwelling under construction. Building materials are defined as those materials and supplies that were purchased and/or delivered for the sole intent of becoming part of the dwelling described in the declarations of the policy. Building materials exclude tools, forms, or construction equipment owned by, rented to, or borrowed by an insured, contractor or employees of either. The term "employees" also includes any and all subcontractors of any general contractor involved.
2. Endorsement #2 (KCM 112) provides coverage for the perils of Vandalism, Malicious Mischief, and Theft to the building under construction only. Building materials are excluded unless they have become permanently attached to and are parts of the described dwelling. Also excluded are tools, forms, or construction equipment owned by, rented to, or borrowed by an insured, contractor, or the employees of either. The term "employees" will also include any and all subcontractors of any general contractor involved.
3. Endorsement #3 (KCM 113) provides coverage for a homeowner while the dwelling is under construction. This endorsement is attached to a regular homeowner policy for a period of six months or until the date of occupancy, whichever occurs first. Coverage will be extended to theft of building materials for a specified limit while at the location of the dwelling under construction. Building materials will mean those materials and supplies that were purchased and/or delivered for the sole intent of becoming part of the dwelling described. Excluded are: tools, forms, or construction equipment owned by, rented to, or borrowed by an insured, contractor, or employees of either. The term "employees" also includes any and all subcontractors or any general contractor involved. This endorsement does not apply to loss committed by an insured, contractor, or employees of either; to loss of property while away from the described residence; or to licensed or unlicensed trailers.

C. Builder's Risk Endorsement for Buildings being remodeled

Existing buildings may be remodeled without an increase in premium provided that the structure is not raised off the foundation or moved to a new location. We will not provide protection for any permanent building in the process of being moved. If notified, we may provide protection of a building while temporarily off its foundation if it has been properly braced and anchored.

1. Endorsement #4 (KCM 114) Provides coverage for a remodeling project on an existing dwelling as described in the policy declarations. This endorsement will continue for the length of the project and terminate on the date of occupancy of the described dwelling. Coverage is extended to building materials at the insured location for the perils of Vandalism, Malicious Mischief, and Theft. The maximum amount of coverage available is \$5000.00. Loss settlement is Actual Cash Value with a \$500.00 deductible applied to each occurrence. Notification of loss must be reported to the local law enforcement agency within 24 hours after the discovery of a loss. This endorsement excludes losses committed by an insured, contractor, or employees of either; when the described dwelling is occupied by either owner or tenant; to loss of property while away from the described dwelling; or to licensed or unlicensed trailers.