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## **By Olivia Wilkinson: Insurance to cover the risks that builders contend with**

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At every point in life there are risks, and this is the case during the construction of a building. Insurance also exists to cover the special risks that builders have to contend with, and it covers the builders and the buildings' owners in several circumstances.

### Builder's Risk Insurance

While a building is in the process of being built, disasters can strike that prevent the continuation of the process. These risks are what builder's risk insurance will cover when a building is under construction. The policy covers the owners of the future building as well as those who are constructing the property, and if the policy holders choose, the materials that will be used to construct the building and the equipment used for building it can also be included.

### The Risks of Building

A building under construction can be insured against several risks, such as a fire, wind, lightning, hail, theft, vandalism and accidents.

### Length of the Policy

Builder's risk policies insure the building for a short period of time because it is only insurance for the construction of a building. If damages occur before construction begins or after construction ends, the builder's risk insurance policies will not cover these damages. The policies can be purchased for only three terms:

- \* Three months
- \* Six months
- \* One year

If a builder has underestimated the amount of time the construction would take, the policy may be extended once.

### Property in Transit

Builder's risk insurance can be extended to contain risks that are not included in the basic policy. If the builders need to transport materials to the construction site, they may purchase extra coverage that will pay for any damages to these materials. This coverage is called Property in Transit.

### Scaffolding Coverage

As buildings are being constructed, scaffolding is set up, and these structures may become damaged but Scaffolding coverage protects these structures while they are present at the construction site.

### Property in Temporary Storage Coverage

This coverage pertains to materials that will be used on the construction site.

### Fire Coverage

In the event that the fire department has to be called to the construction site, the Fire Department

Service Charge Coverage pays for this service when a covered entity has caught fire.

#### Debris Removal Coverage

If damage occurs because of a covered peril such as a fire, for example, the debris that will need to be removed will be paid for with the Debris Removal coverage.

#### Sewer and Drain Coverage

If the sewer or the drain were to become backed up, the flooding that would occur would cause damage to the property. The Sewer and Drain Backup coverage repairs these damages.

#### Flood and Earthquake Coverage

The damages related to a flood or an earthquake are not generally covered under the basic builder's risk policy, but people may add this coverage, especially if they are in an area where floods and earthquakes are apt to occur.

#### Delayed Openings

Sometimes, the construction of a building can be held up and the owners cannot open their doors as quickly as they had hoped. They can purchase an extension of their coverage for loss of income in these instances.

What keeps people away from seeking builder's risk insurance is the cost, but if they obtain several quotes from insurance companies, they will find several cheap insurance quotes in the list.

For the cheap insurance quotes that they receive they will be able to purchase good coverage for a very affordable price, and it will save them a lot more money than not purchasing the insurance if their building is damaged by fire or flood before the construction can be completed.

Olivia Wilkinson is the head consultant for Prim Media Consulting, Palm Coast, Fla.