

SMI RESIDENTIAL BUILDERS RISK PROGRAM

The following are the rules related to our Residential Certificate Builders Risk Program

1. **MASTER POLICY:** Named Insured will read “Individual Building Owners to be named on certificates to be issued.”
2. **POLICY TERM:** Master policy is in effect until cancellation
3. **CERTIFICATE TERM:** As per certificate (Minimum four-month term)
4. **BINDING AUTHORITY:**
 - Brokers are not permitted to bind risks or issue certificates that exceed the following limits
 - Protected - \$900,000
 - Semi-Protected - \$500,000
 - Unprotected - \$500,000
 - If higher limits are required, please contact Commercial Underwriting
 - Brokers must submit for approval if a contractor requires insurance on buildings concentrated in one area, where maximum limits exceed \$2,000,000
 - Risks North of the 55th parallel – Not Written

5. **RATES:**

PROPERTY RATES:

- a) **PROTECTED:** 3¢ per hundred, per month
*Protected meaning within 1,000 ft. of an operable fire hydrant, and within five miles of a responding fire hall
- b) **SEMI-PROTECTED:** 6¢ per hundred, per month
*Semi-Protected meaning within 5 miles of a responding fire hall.
- c) **UNPROTECTED:** 9¢ per hundred, per month
*Unprotected meaning all others

FIRE DEPARTMENT CHARGES RATE:

\$1.00 per hundred of insurance, subject to a NIL deductible

6. **FORM:**

PROPERTY: Builders’ Risk Dwelling Form Rider MP5

- All Risk Coverage
- Replacement Cost
- Debris Removal
- Offsite Coverage, \$5,000

FIRE DEPARTMENT CHARGES: Fire Department Charges Endorsement – E37

7. **DEDUCTIBLE:** \$1,000

8. **LIABILITY:** Liability is optional with coverage written as a Commercial General Insurance policy excluding products and completed operations. Premiums are as follows:

\$1,000,000	\$125 (Per House, Fully Retained Premium)
\$2,000,000	\$175 (Per House, Fully Retained Premium)
\$3,000,000	\$225 (Per House, Fully Retained Premium)
\$4,000,000	\$275 (Per House, Fully Retained Premium)
\$5,000,000	\$325 (Per House, Fully Retained Premium)

9. **PROCEDURE:** Broker issues certificates and numbers each in sequence. Original certificate given to Insured with a copy to the insurer. The master policy is on file with both broker and insurer. Should a payee request a copy, we ask that the broker supply same.
10. **MINIMUM PREMIUM:** The greater of four months premium or \$150.00 (property only). There will be no return premium if the project is completed before the certificate term is expired.
11. **CERTIFICATE EXTENSION:** If a certificate extension is required to complete construction, charge the appropriate rate per month(s) of extension.
12. **VALUES:** In all cases, we are to insure the completed value of the risk, and insurance must be in effect no later than the completion of the foundation. We would suggest that an evaluator be completed and submitted to ensure the dwelling is insured to completed value, however, we will not insist that this be done. We will require the number of storeys and total square footage at and above ground level be completed on the certificate. Premiums for any increases in values are to be calculated from the effective date of the policy.

SUMMARY:

- **Binding Authority is given on the condition that a certificate is sent to the company within 72 hours of the effective date of the certificate, otherwise coverage is not in force.**
- **For new residential construction only, single family or duplex.**
- **Loss experience must be acceptable to the company.**
- **If you have a risk that exceeds your binding authority, please contact Commercial Underwriting.**
- **With respect to liability, this is an optional coverage. If products and completed operations coverage is required, the Insured would have to apply for an annual Commercial General Liability policy covering all of their operations.**
- **Individuals building their own homes will be acceptable, but plumbing, heating and electrical work must be sublet to qualified tradepersons. This is a warranty in the certificate.**
- **Please ensure all staff are familiar with the binding authority, the numbering of certificates and the submission of certificates to Head Office.**
- **If the risk is vacant or unsold after the completed construction, there is no extension of the certificate. If coverage is required, the Insured would have to apply for separate insurance.**