

INSights



A FOREST INSURANCE PUBLICATION

Builder's Risk Insurance

What is Builder's Risk Insurance

Builder's risk insurance, also known as course of construction insurance, is a specially designed policy that provides coverage for commercial and residential buildings during the construction process, including ground-up projects and renovations.

Who needs Builder's Risk coverage?

Anyone with a financial interest in the construction project needs builder's risk insurance.

What types of property does Builder's Risk Insurance cover?

A basic builder's risk insurance policy helps cover buildings and structures under construction. It also helps protect construction materials, supplies and equipment.

What does Builder's Risk Insurance cover?

A builder's risk insurance insurance policy helps protect your construction projects from certain kinds of property damage. It can also help cover additional soft costs, or expenses not directly related to construction, if property damage causes a delay. This can include lost sales, rental income, loan interest, real estate taxes.

Builder's Risk Insurance for homeowners

If you're building a new home or making extensive renovations on an existing structure, you'll need builders risk insurance to cover the property during the course of construction.

How much does Builder's Risk Insurance cost?

Every builder's risk insurance policy is different, so costs vary depending on what you need. On average, a builder's risk policy can vary between 1% and 5% of the total project value.

Builder's Risk vs. Homeowners Insurance

Homeowners insurance is intended for completed, occupied homes, while builder's risk insurance is designed for homes under construction.

"If you're building a new home or making extensive renovations on an existing structure, you'll need builder's risk insurance to cover the property during the course of construction."

A house that's being built from the ground up is exposed to different risks than a fully enclosed and occupied home, and therefore will require a more specialized form of insurance.

Homeowners insurance protects your home and contents, provides coverage for additional living expenses, and offers liability protection in case someone is injured on your property. Builder's risk insurance, on the other hand, covers the property while it is under construction and may not include personal liability protection.

Who is responsible for acquiring Builder's Risk Insurance?

The particulars of who is responsible for providing which type of insurance will depend on the construction contract. Your builder will likely have general liability insurance to cover any liability issues related to the build, but it's not always their responsibility to buy the builder's risk policy as well.

If your general contractor doesn't provide builder's risk insurance, then it's on you to ensure the project is adequately covered in the event of property damage or theft. If you're financing the build with a construction loan, your mortgage lender will likely require proof of a builder's risk policy throughout the course of construction.

How long of a term do I need to purchase?

Builder's risk policies are available for 3, 6, 9, or 12 month terms, and can be renewed until a project finishes. The length of your builder's risk policy term will depend on the scope of the construction project. If you're doing a renovation or adding a room onto your home, you may only need a three-month term, while construction on a new home may require a twelve-month term.

Find the right Builder's Risk policy

It's important to work closely with an agent that has experience with builder's risk. Every project has different risks, so you'll need a policy that addresses your unique needs. Your Forest Insurance agent can help you choose the right amount of coverage and get you a quote. ▲

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TRIVIA

ANSWER THE QUESTION BELOW FOR A CHANCE TO WIN A \$10 GIFT CARD

Often referred to as the “Cape Cod of the Midwest,” this popular Wisconsin destination—a former Scandinavian settlement—is known for its picturesque coastal towns, specialty shops, fish boils, and its famous cherry pies.

Email your answer to
trivia@forestinsured.com

*Congratulations to **Trey Koch**, who correctly guessed the answer to last issue's trivia question was the Amazon Rainforest—the region that produces 20% of the earth's oxygen. Thank you to everyone who submitted answers.*

WELCOME ABOARD

Jessica Cusack

HAPPY BIRTHDAY

Judy Shelstad (7/19)
Dan Browne (7/31)
Julie Cranley (8/9)
Marcia Johnson (8/15)
Melissa Keshen (8/25)
Susan Huizinga (9/25)

HAPPY FI ANNIVERSARY

Dan Browne (44 yrs)
Susan Huizinga (3 yrs)
Maria Jamroz (4 yrs)
Jeanine Veldman (9 yrs)
Julie Cranley (1 yr)



Charity of the Quarter The Oak Park & River Forest High School Scholarship Foundation

Recipients of the OPRFHS Scholarship Foundation's 2022 First Generation Scholarship.

Q2 Wrap Up: For every referral we received during April, May, and June, we donated \$20 to [Sarah's Inn](#). In all, we were able to donate \$320 to Sarah's Inn for the second quarter of 2022. Thank you for helping support a great organization!

For Q3 our Charity of the Quarter is the [Oak Park and River Forest High School Scholarship Foundation](#). So for every friend, colleague, or family member you refer to us for a quote during July, August, and September, we'll not only send YOU a \$10 gift card, we'll also donate \$20 to the OPRFHS Scholarship Foundation!! ▲

Since 1924, the Oak Park and River Forest High School Scholarship Foundation has awarded college scholarships to hundreds of OPRF graduates who have demonstrated academic excellence, initiative, leadership, and financial need. In recent years, the foundation has increased the number of scholarships that are given each spring, enabled in large part by the generosity of parents, retirees, alumni, and friends of the high school.

In the last 15 years, the Scholarship Foundation has awarded OPRF seniors more than 800 scholarships for post-secondary study. This support makes a meaningful difference to help OPRF students meet the high cost of college tuition.

For more information or to donate to the Oak Park and River Forest High School Scholarship Foundation, visit www.scholarships4oprfs.org.



Kids headed to college this fall?

If so, be sure to call your agent for any “away” driver discounts on your auto insurance. Full-time college students who attend school at least 100 miles from home receive significant discounts on their insurance premiums.

CLIENT(S) OF THE QUARTER

Congratulations to Robyn Vizzzone—who was randomly selected from the list of clients who referred business to Forest Insurance last quarter. We'll be sending Robyn a \$100 Visa Gift Card as our way of saying thanks.



Protect Your Summer Toys

Whether you're a seasoned pro or just bought your first toy, the proper insurance coverages are crucial to summer safety. Just like routine care and maintenance, having an insurance policy to cover your watercraft, RV, or ATV is just as important.

Watercraft

If you plan on using your boat or jet ski this summer, Personal watercraft insurance is always a good idea. Boat insurance may cover the following:

Liability coverage. This will help protect you if you get into an accident with another person or boat and are found to be at fault.

Physical Damage Coverage. This can help protect your actual boat if it sustains damage. It covers the boat itself, the motor, and the trailer.

Medical Payments Coverage. If someone gets hurt in a boating accident, medical payments coverage can help cover the associated medical costs.

RVs

RV-ing is more popular than ever. After all, what's not to love? You have all the comforts of home no matter where you go. Just make sure you have the right insurance coverage to protect your rolling home-away-from-home.

RV insurance will differ by the type of vehicle you have. A popup is going to be insured differently than a motorhome or even a trailer. RVs have different classes and your insurance will need to reflect that. Just like car insurance, RV insurance is there in case an unfortunate accident occurs.

Off Road Vehicles

ATVs, dirt bikes, and other off-road vehicles can be dangerous. Despite being fun to zip around on, the chances of an accident are pretty high. Insurance may not be required to ride an ATV or dirt bike, but it is certainly a good idea. Insurance can help protect your bank account if the unexpected happens.

Storing Your Toys

Once summer bids us adieu it's also important to store your summer toys properly to ensure they perform at their best next season. Be sure you are storing everything correctly.

The Bottom Line

If you've recently acquired some new toys, or are unsure whether you have the right coverage for all the things that are keeping your summer full speed ahead, give Forest Insurance a call today. We'll be happy to discuss what coverages you may be missing or other ways to keep you and your family protected this summer. ▲

SIMPLIFY YOUR LIFE

FOREST INSURANCE
CAN CONSOLIDATE ALL YOUR
INSURANCE ACCOUNTS

Home | Auto | Umbrella
Jewelry | Fine Art
Private Client
Aviation | Life
Business | Commercial

REFERRALS

When you refer someone to Forest Insurance, we'll send you a \$10 gift card and enter your name into our quarterly raffle. We'll also make a \$20 donation to our Charity of the Quarter, which, July through September, is the **Oak Park and River Forest High School Scholarship Foundation**.

Thank you to our clients who referred a friend or family member during April, May, or June:

Jean Berg

Richard & Susan Berezewski

Janet Brookman

Exaltacion Santana
and Santana's Daycare Inc.

Greg & Stefanie Geeve

Keith Huizinga

Linda & David Jancik

Dan Joyce

Meghan & Brian Keller

Maxwell Nieder

Bill & Peggy Ramette

Maria Reyes

Joseph & Deborah Stassi

Timothy & Jennifer Stratman

Patrick Pauley & Sarah Toney

Robyn Vizzone



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trusted solutions.
vast possibilities.

Leadership



Dan Browne



Cathy Hall

Contact us for more information
about our services and products:

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