



Protecting Your Home During Construction

Builders Risk Insurance



[***thewheeleragency.com/builders-risk***](http://thewheeleragency.com/builders-risk)



Q: What is builders risk insurance?

A: Builders Risk is a form of insurance designed to cover buildings under construction. Because the risk to buildings under construction are different than the risks associated with a completed homes, insurance companies use a special coverage form during construction.



Tip: Get your coverage started as close to commencement as you can. Coverage could be unavailable if you wait too long.

Q: What is covered?

A: Similar to a homeowner policy, builders risk covers the structure against the usual perils with which you are familiar: fire, lightning, wind, hail, catastrophic ground cover collapse, and more. Liability and theft, though, are sometimes excluded. We recommend you ask your agent about these important coverages.



Tip: Purchase your coverage through an agent with a good reputation who represents financially secure insurance companies

Q: Is there more than one type of builders risk policy?

A: Yes, you can protect your home while it is being built by purchasing a classic “builders risk policy” or you can purchase a “dwelling policy with builders risk endorsement” attached.

Here are the differences:

Builders Risk Coverage Form

Fire, lightning, wind, hail,
theft, vandalism and
catastrophic groundcover
collapse

But *NOT*
premises legal liability.

Dwelling Coverage Form + Builders Risk Endorsement

Fire, lightning, wind, hail,
catastrophic groundcover
collapse, and premises
liability

But *NOT*
theft and vandalism.



Tip: Talk to your agent about which coverage form is right for you.

Q: When should coverage begin?

A: Ideally, we recommend we recommend coverage begin the day your contractor breaks ground, but we know things can be chaotic at the beginning of a projects, so there is some flexibility. Most insurance companies will approve builders risk coverage on a home as long as the project is not more than 20% complete.



Q: Who should be listed on my policy?

A: You (as the owner) should be listed as Name Insured on the policy, of course, but your lender and your home builder also have an interest in the project. Your lender has a mortgagee interest during construction. Your builder may want to protect uninstalled materials on the site.



YOU



Your Lender



Your Homebuilder

Tip: We recommend you only use licensed contractors to build your home. You lose valuable legal protections in Florida by using unlicensed contractors.

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Q: What do I need to do when I'm ready to move in?

A: Call your agent a couple weeks prior to move in so that your agent can work with you to convert coverage to a standard Homeowner (HO-3) Coverage Form.

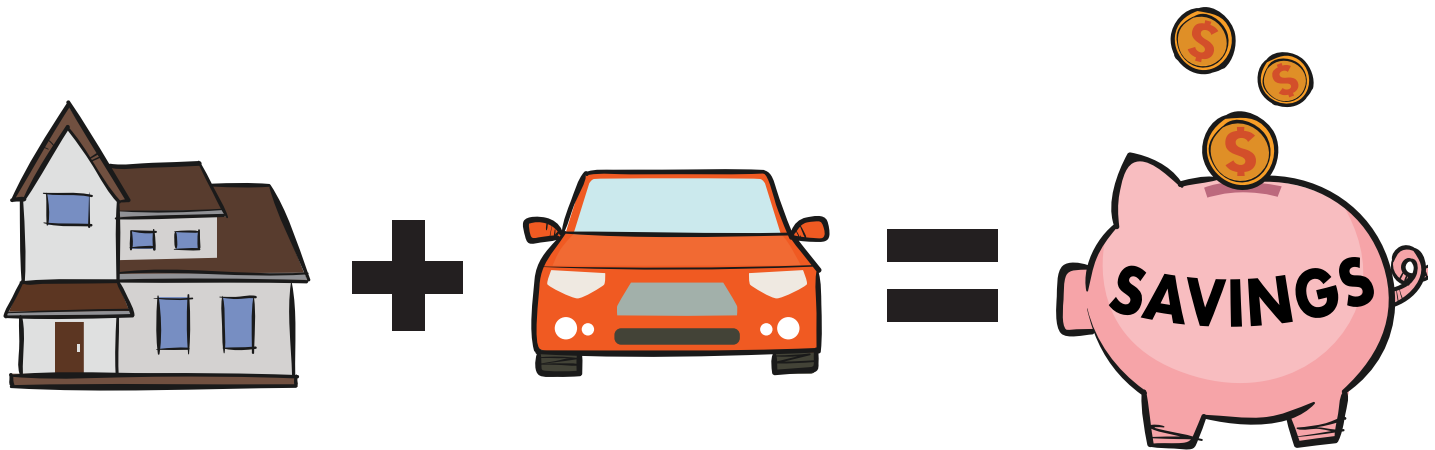


Tip: Check with your agent to see if you are eligible for a 10% home-auto bundling discount.

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Q: What else do I need to know?

- ☒ Make sure you know if your policy is cancellable and if you can get money back if you complete your project early.
- ☒ Make sure you purchase the coverage form that is right for your situation with respect to theft, vandalism and liability coverage.
- ☒ Don't forget to call your agent prior to moving in to convert to Homeowner coverage.



Tip: Ask your agent about bundling discounts when you convert to a Homeowner policy

We wish you a successful construction project!



*John Wheeler, CPCU
Agent/Owner*



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The Wheeler Agency

Auto-Home-Business

Give us a call at (386) 752-8660

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