

BUILDERS RISK REPORTING FORM
AXIS Insurance Company

This is a special form property policy covering new construction of one to eight family dwellings under construction and building materials on site intended for installation at that site. Materials stored at one site that are to be installed at another site may be covered with prior consent of the company. You may also cover remodeling, room additions, completed spec homes and models if identified and reported; however you will have to contact us for the appropriate rates as the rates below are for new construction only. Model home contents can be insured on a separate policy when requested. Dwellings under construction must be reported at the end of the month construction began, and insured for the completed value. **It is imperative that you report to us immediately any change orders or increased cost of construction that will modify the completed value of the building during the construction period. Failure to do so could result in a coinsurance penalty at time of claim.** Coverage on each dwelling end's one year from the date reported or when the dwelling is sold or occupied, if earlier. If at the end of 12 months from the time you first reported a start to us, you still have that location in your inventory, you may report that location to us a second time at new start annual rate.

RATES: New Construction Only

Protection Class 1-8	Deductible for all Perils except Wind, Hail, Theft & <u>V&MM.</u>	All Other Counties including Pasco & Hernando	Broward Dade, Monroe & Palm Beach	Hillsborough Collier Lee	Pinellas Manatee Charlotte & Sarasota.
	\$1,000	.30	.75	.55	.40
	\$2,500	.29	.72	.51	.38
	\$5,000	.28	.68	.48	.36

These rates apply to new home starts, model homes, & leasebacks.
Model Home Contents rate is \$1.50 per \$100 of value annually.

WINDSTORM, HAIL, THEFT AND V&MM DEDUCTIBLES:

5% of Total Estimated Completed Value mandatory windstorm/hail deductible applies to property located in counties of Broward, Dade, Monroe, Palm Beach.

3% of Total Estimated Completed Value mandatory windstorm/hail deductible applies to property located in counties of Collier, Lee, Charlotte, Manatee, Pinellas & Sarasota west of 75 and

2% Collier, Lee, Charlotte, Manatee, Pinellas & Sarasota east of 75 & all of Hillsborough.

1% of Total Estimated Completed Value mandatory windstorm/hail deductible applies to property located in all other counties (including Pasco & Hernando).

\$2,500 Theft and Vandalism and Malicious Mischief.

EXCLUSIONS & LIMITATIONS:

AXIS cannot offer wind coverage on homes in excess of \$750,000 value.

Windstorm and Hail will be excluded for any location eligible for the state's wind pool.

Pollution Clean Up Sublimit: \$10,000 if caused by a covered peril.

Earth Movement, Settlement, Cracking, Swimming Pools, Earthquake and Flood excluded.

Cost of filling sinkholes; or Sinking or collapse of land into man-made underground cavities.

Maximum coverage available is \$750,000 per structure.

Policy Minimum and Earned Premium: \$500 or 10%, which is greater.

No coverage will be provided for risks within 1000 feet of coastal waters. Refer to Roe Ins.

Property left in the open and not contained in buildings is excluded.

This is only a summary of insurance coverage's and does not constitute a policy, contract or legal evidence of insurance. For complete policy terms, conditions, limitations and exclusions refer to the policy. I acknowledge these coverages offered.

Initials _____

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NOTE: Premiums are annual, and fully earned at inception. No cancellation is required and no refunds are given. Windstorm/hail coverage is excluded at locations eligible for coverage through the state's windpool or similar facility. The above rates do not include quake or flood coverage. The policy excludes damages caused by "Fungus" with the exception of \$10,000 Limited Coverage when policy conditions met.

REPORTING: Reports must be submitted to the company on a monthly basis. It is necessary to submit a report each month even if no new structures were begun. Failure to report and pay for a start voids coverage for that unit. Failure to send in your monthly reports with payment will result in cancellation of the policy.

Reports with payment should be mailed to:

Remit a copy of report to:

HBW Insurance Services, Inc.
P.O. Box 102009
Atlanta, GA 30368-2009

Greg Roe Insurance, Inc.
9851 S.R. 54
New Port Richey, Fl. 34655

ANNUAL RATE PROVISIONS:

A. By the last day of each month you will report to AXIS the total estimated completed values of all buildings you started during the previous month. This report is to be made on the form AXIS provides for this purpose and must include the total estimated completed value including labor and materials and, if coverage is desired, you may have your policy endorsed to include coverage for Overhead and Profit, in case you had to rebuild the home a second time and you wish to insure a profit both times.

B. The starting date for the purpose of the report is the date when you first put the building materials on the construction site.

C. Dwelling being used as a Model Home should be reported and identified as a Model Home.

D. If at the time of loss you have not made the report as required in this provision, we cover only those starts previously reported.

E. You must pay premiums based on the total estimated completed value of each building using the rate we furnish. Premium payment must accompany the report in order for the reported building to be covered.

F. The premium charged is fully earned and no refund is due you when coverage ends.

G. You will keep accurate construction records regarding property we cover under this policy. This includes the total estimated completed value of the property and a record of all contracts of sale dealing with the property.

H. If at the end of 12 months from the time you first reported a start to us, you still have that building in your inventory, you may report that building to AXIS a second time at twice the annual rate.

I. AXIS or our acceptance of a report of value does not waive or change any part of this policy nor stop us from asserting any right we have under the terms of this policy.

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Recommendation that Builder provides Builders Risk coverage.

It has come to our attention that when a builder allows a buyer to provide the builders risk insurance on the home, that the builder is exposed to suits from the buyer and/or their insurer for damages to the home, and you have no insurance to protect you. Example: Buyer purchases builders risk policy with State Farm (or any insurer), during construction a fire occurs causing \$40,000 damage. State Farm pays the claim and then subrogates (sues) the builder alleging the fire was due to faulty wiring by the electrician (you can try and get your sub to step in, but the builder is first in line). Your General Liability excludes damage to property while in the construction phase (this is why you normally purchase builders risk), leaving you defend and pay the claim out of pocket. We recommend that the builder always provides the builders risk policy, and we will list the buyer as an addition insured on your policy. If your buyer insists on providing the policy, then we recommend you demand that: 1. The builder must be listed as an “additional named insured” on their policy, 2. The buyer and insurer must “waive subrogation rights” against the builder (must be received in writing), 3. The buyers contract specify these requirements along with wording that the buyer agrees that if these provisions are not met they agree to allow the builder to provide the builders risk policy. We have found that many insurers will not agree to these conditions.

Leaseback Models: Are you properly covered?

When you lease back a model, it is recommended that you provide the insurance on the completed model in lieu of the owner. This prevents you from being sued by the owners insurance company for damages for which you are negligent. If requested, you can list the buyer as an additional insured with respects to that specific model.

We recommend that the builder always provide the insurance on lease back models, and we will list the buyer as a additional insured on your policy. If your buyer insists on providing the policy, then we recommend you demand that: 1. The builder must be listed as an “additional named insured” on their policy, 2. The buyer and insurer must “waive subrogation rights” against the builder (must be received in writing), 3. The buyers contract specify these requirements along with wording that the buyer agrees that if these provisions are not met they agree to allow the builder to provide the insurance coverage. We have found that many insurers will not agree to these conditions.

Proper valuation of completed values.

“ Total Estimated Completed Value” should include all costs associated with the building and designing of the property covered including labor, “ overhead” and materials and if coverage is desired, “ profit” . “Overhead” should include those business expenses, other than materials and labor, incurred either directly or indirectly due to the construction of a dwelling or structure. “ Profit” should include the difference between the value of the completed structure (selling price of that property and structure, including labor) and your financial interest in the property and the completed structure. If you do not have a signed contract for the sale of the completed structure and property, the allowance for “ profit” will be limited to no more than 20% of the cost of the property and completed structure.

Special policy needed for room additions & remodeling jobs.

Room additions and remodeling jobs are not eligible for this policy. A special single shot policy must be written for these jobs. If you would like to insure your room addition or remodeling job please contact our office to make arrangements for this special policy.

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