

# Remodeler Coverage



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

## **BUILDERS RISK COVERAGE FORM**

The following is added to Section **A. COVERAGE**, Paragraph **4. Additional Coverages**

### **Remodeler Coverage**

- (1)** We will pay for loss or damage due to a Covered Cause of Loss to “existing buildings or structures” described in the Declarations to which “renovations and improvements” are being made.
- (2)** Paragraph **a.** in **Property Not Covered** does not apply to this Additional Coverage.
- (3)** The most we will pay under this Additional Coverage for loss or damage to “existing buildings or structures” is the amount shown in the Declarations for Existing Buildings Or Structures. The most we will pay under this Additional Coverage for loss or damage to “renovations and improvements” is the amount shown in the Declarations for Renovations And Improvements.
- (4)** The **Valuation** Condition, found anywhere in the policy, is replaced by the following with respect to this Additional Coverage:

#### **Valuation**

In the event of loss or damage, the value of the property will be determined as of the time of loss or damage.

- (a)** The value of “existing buildings or structures” will be “actual cash value”.
- (b)** The value of the “renovations and improvements” will be the lesser of the cost to repair or the cost to replace with like kind and quality to the same point of completion that had been achieved immediately before the loss or damage.

### **(5) Additional Condition**

The following Additional Condition applies to this Additional Coverage:

#### **Ongoing Construction Activity**

During the policy period when no “construction activity” has been performed within 60 consecutive days before the loss or damage occurs:

- (a)** We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (i)** Vandalism;
  - (ii)** Sprinkler leakage, unless you have protected the system against freezing;
  - (iii)** Building glass damage;
  - (iv)** “Water damage”;
  - (v)** Theft; or
  - (vi)** Attempted theft.

**(b)** With respect to Covered Causes of Loss other than those listed in **(1)** through **(6)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**(6) Additional Definitions**

The following Additional Definitions apply to this Additional Coverage

**(a)** “Actual cash value” means the cost to repair or replace the lost or damaged Covered Property reduced by each of the following:

- (i)** Physical deterioration;
- (ii)** Depreciation;
- (iii)** Obsolescence;
- (iv)** Depletion;
- (v)** Non-conformity to codes, regulations, or statutes; and
- (vi)** The cost to reconstruct or remodel undamaged portions of property.

But in no event will “actual cash value” be more than the market value of the property excluding land as determined by the price which the property excluding land might be expected to realize prior to loss or damage if offered for sale in a fair market on the date of the loss or damage.

**(b)** “Construction activity” means repair, replacement, or installation, including painting.

**(c)** “Existing buildings or structures” means a building or structure that was constructed and standing prior to the inception of this policy and that will undergo renovation or rehabilitation. “Existing buildings or structures” only includes those parts of standing buildings or structures that are intended to become a permanent part of buildings or structures during renovation or rehabilitation. This does not include “renovations and improvements”.

**(d)** “Renovations and improvements” means your additions, alterations, improvements or repairs to the property location specified in the Declarations including materials and supplies, attachments, and fixtures which have been installed, or will be installed in the “existing buildings or structures”. This does not include “existing buildings or structures”.

**(e)** “Remodelers total estimated completed value” means the “actual cash value” of the “existing buildings or structures”, plus the estimated cost of your “renovations and improvements” at the conclusion of the project. This does not include “overhead” or “profit”.

All other terms, conditions, provisions and exclusions of this policy remain the same.