

# BUILDER'S RISK COMPREHENSIVE FORM

## PROPERTY INSURED

1. This Policy, except as herein provided, insures
  - (a) Property in course of construction, installation, reconstruction or repair
    - (i) owned by the Insured
    - (ii) owned by others, provided that the value of such property included in the amount insured; all to enter into and form part of the completed project including expendable materials and supplies not otherwise excluded, necessary to complete the project described on the Declarations Page;
  - (b) temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation, landscaping and similar work, provided that the value thereof is included in the amount insured and then only to the extent that replacement or restoration is made necessary to complete the project;
  - (c) expenses incurred in the removal from the construction site of debris of the property insured, occasioned by loss, destruction or damage to such property and in respect of which insurance is provided by this Policy.

## LIMITS OF LIABILITY

2. This Policy insures in the amount indicated on the Declarations Page applicable to those items of this clause for which a limit is shown. The liability of the Insurer(s) in any one loss, casualty or disaster shall be limited to the proportion of any loss or damage, including salvage charges and other expenses, which the sum insured under this Policy bears to the total amount of insurance and in no event shall exceed the same proportion of each of the following limits of liability in any such loss, casualty or disaster –  
Limit(s) of Liability for all insurance
  - (a) \$ .....(AS INDICATED.....at situation described in Clause 5(b);
  - (b) \$.....ON THE.....at any other location;
  - (c) \$...DECLARATIONS PAGE)....in transit,provided always, however, that the total liability under the Policy for loss, destruction or damage to property and for removal of debris, shall neither exceed the amount of insurance nor the applicable limit of liability.

## DEDUCTIBLE

3. Each claim for loss or damage shall be adjusted separately and from the amount of each adjusted claim the applicable sum shown hereunder shall be deducted. This deductible does not operate to reduce any applicable limit of liability.
  - (a) \$.....(AS INDICATED.....at situation described in Clause 5 (b);
  - (b) \$.....ON THE.....at any other location;
  - (c) \$...DECLARATIONS PAGE)....in transit,

## PERILS INSURED

4. This Policy, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

## PARTICULARS OF PROJECT

5.
  - (a) Project name and No.
  - (b) Situate at
  - (c) Height       storeys       feet                       (AS
  - (d) Foundation construction                       KNOWN
  - (e) Wall construction                               TO THE
  - (f) Roof construction                               INSURER)
  - (g) Floor construction
  - (h) To be occupied as

## ESTIMATED INSURED VALUE

6.
  - (a) Estimated completed contract price ..... AS INDICATED.....
  - (b) Value of any property insured hereunder not included in the contract price .....ON THE.....
  - (c) Estimated insured value (sum of (a) and (b) above) .....DECLARATIONS PAGE.....

## SCOPE OF INSURANCE

7.
  - (a) this insurance attaches, within the policy period, when the property becomes at the Insured's risk after being unloaded at and which on the construction site until
    - (i) thirty days after completion of the project; or
    - (ii) the termination or expiration of this insurance, whichever first occurs.
  - (b) If a limit of liability is stated in Clause 2 (b), insurance is provided, subject to such limit, anywhere in Canada or the continental United States excluding Alaska, only with respect to property to enter into and form part of the completed project described in Clause 5 but excluding such property while in transit, or in any building used for manufacturing or processing.
  - (c) If a limit of liability is stated in Clause 2 (c), insurance is provided, subject to such limit, from the commencement of loading at the original point of shipment anywhere in Canada or the continental United States excluding Alaska, until the completion of unloading at the site of construction, except while in any building used for manufacturing or processing.
  - (d) This Policy ceases to insure any part or section of the project on the commencement of use or occupancy thereof, unless such use or occupancy is for
    - (i) construction purposes;

- (ii) office or habitational purposes; or
- (iii) installing, testing or storing equipment or machinery.

### **PROPERTY EXCLUDED**

8. This Policy does not insure loss of or damage to
- (a) property,
    - (i) while waterborne, from the commencement of loading until completion of discharge except while on a ferry, railway car or transfer barge, all in connection with land transportation;
    - (ii) while insured under an Ocean Cargo Policy;
    - (ii) while aboard or being transported by any aircraft;
  - (b) contractor's tools and equipment including spare parts and accessories whether owned, loaned, hired or leased other than property specified in Clause 1(b);
  - (c) money, books of account, securities for money, evidences of debt or title, automobiles, tractors, and other motor vehicles, aircraft or watercraft.

### **PERILS EXCLUDED**

9. This Policy does not insure
- (a) the cost of making good
    - (i) faulty or improper material;
    - (ii) faulty or improper workmanship;
    - (iii) faulty or improper designprovided, however, to the extent otherwise insured and not otherwise excluded under this Policy resultant damage to the property shall be insured;
  - (b) loss or damage, unless directly caused by a peril not otherwise excluded herein, caused directly or indirectly by rust or corrosion, frost or freezing;
  - (c) loss or damage caused by electric or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
  - (d) loss or damage caused directly or indirectly by mechanical or electrical breakdown or derangement provided however, to the extent otherwise insured and not otherwise excluded under this Policy, resultant damage to the property shall be insured;
  - (e) loss or damage caused directly or indirectly by earthquake, except
    - (i) ensuing damage which results from fire, explosion, smoke or leakage from fire protective equipment; or
    - (ii) while the property is in due course of transit, if a limit is provided under Clause 2(c);
  - (f) loss or damage caused directly or indirectly by flood, and the word "flood" means waves, tides, tidal waves, tsunamis, and the rising of, the breaking out or the overflow of, any body of water, whether natural or man made; but this exclusion does not apply to the loss or damage
    - (i) caused by escape of water from an elevated water tank maintained on the premises for fire fighting purposes; or
    - (ii) occurring while the property is in due course of transit, if a limit is provided under Clause 2(c);
    - (iii) resulting from ensuing fire, explosion or smoke;
  - (g) theft by an employee, officer or agent of the Insured or other party of interest, or any person to whom the property is entrusted (bailees for hire excepted);
  - (h) any loss or shortage disclosed on taking inventory or making appraisal, or any mysterious disappearance;
  - (i) loss or damage caused directly or indirectly by cessation of work or by interruption of construction, unless directly caused by a peril otherwise insured and not otherwise excluded under this Policy;
  - (j) any loss of use or occupancy however caused;
  - (k) penalties or liquidated damages for non-completion of or delay in completion of contract or non-compliance with contract conditions or costs incurred solely in an effort to eliminate or reduce penalties or liquidated damages for which the Insured may be contractually liable;
  - (l) wear and tear, gradual deterioration, normal upkeep, latent defect, or normal making good;
  - (m) loss directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or re-instate the property as it was immediately prior to the loss.

### **PREMIUM ADJUSTMENT**

10. The premium stated in this Policy is provisional. Within thirty days after the termination or expiration of this insurance the Insured shall report to the Insurer(s) the actual completed contract price and the value of any property not included in such completed contract price and insured herein or in the absence of a contract price the Insured shall report the total completed value of the project. The actual premium shall be calculated from inception date of this Policy on the total value so reported at the rate shown in this Policy. If the premium so calculated exceeds the provisional premium the Insured shall pay the Insurer(s) the amount of such excess. If such premium is less than the provisional premium the Insurer(s) shall refund to the Insured the amount of the difference.

### **BASIS OF SETTLEMENT**

11. Any loss under this Policy shall be adjusted with the General Contractor or Owner named herein and any settlement shall be based on cost of repairing, replacing or reinstating (whichever is the least) with material of like kind and quality and for like occupancy, on the same site without deduction for depreciation provided that
- (i) liability shall in no event exceed the amount actually and necessarily expended for repairs, replacement or reinstatement; and
  - (j) if repairs, replacement or reinstatement with material of like kind and quality is restricted or prohibited by any by-law, regulation, ordinance or law, any increase in the cost of repairs, replacement or reinstatement due thereto shall not be insured by this Policy.

## **PERMISSIONS**

12. The Insurer(s) hereby grant permission to the Insured to carry out necessary and reasonable repairs which can be undertaken by them in respect of partial damage insured herein, up to a maximum of \$50,000. but not exceeding any applicable limit of liability. If insurance in respect of such repairs is provided by this Policy and subject to the Deductible and any limit of liability stated in Clause 2, the Insurer(s) will reimburse the Insured for their proportion of the actual cost of such repairs. Nothing in this clause shall be deemed to have waived the requirement that notice of loss be given forthwith to the Insurer(s) as provided in this Policy.

## **REINSTATEMENT**

13. Any loss hereunder shall not reduce the amount of this Policy.

## **TERMINATION**

14. Termination by the Insurer(s) may only be effected by the Insurer(s) giving to the Insured thirty days notice of termination by registered mail.

## **SUBROGATION**

15. The Insurer(s), upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all right of recovery of the Insured against others and may bring action in the name of the Insured to enforce such rights, except that
- (a) any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover;
  - (b) notwithstanding the provisions of paragraph (a) hereof all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this Policy.

## **VERIFICATION OF VALUES**

16. The Insurer(s) or their duly appointed representative(s) shall be permitted at all reasonable times during the term of this Policy or within a year after termination or expiration to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. This inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Policy.

## **DEFINITIONS**

17. "**leakage from the fire protective equipment**" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the premises herein described or for adjoining premises and loss or damage caused by the fall or breakage of such equipment;
- "**fire protective equipment**" means tanks, water mains, hydrants or valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes but does not include-
- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (ii) any water mains or appurtenances located outside of the described premises and forming a part of the public water distribution system;
  - (iii) any pond or reservoir in which the water is impounded by a dam.