Guidelines For Securing Builders Risk Insurance Coverage

New Buildings
The Contractor provides Builders Risk insurance coverage for new buildings. New buildings include free-standing buildings and additions with fire walls and fire doors separating the addition from the existing building. The System office should be notified of new building construction following the current guidelines. Once the construction is complete, a C.O.P.E. form is required to add the building to the System’s insurance policy.

Renovations and Additions
The System office can obtain Builders Risk insurance coverage for most renovation and addition projects (see “New Buildings” section above for additions with fire walls and doors). Project costs of $50,000 or greater must be reported to the System. However, coverage is not effective until the following two steps are complete:

1) Coverage is requested from the System office with all of the below “Required Information” prior to construction or within the first thirty days.

2) The campus receives verification from the System office that the insurance company has added the project for Builders Risk coverage.

It is the responsibility of the campus to verify that Builders Risk coverage is in place for the project. If Builders Risk coverage is not in place, then the campus is financially responsible to fund any losses. The System’s construction contract represents to the Contractor that the coverage will be provided by the University; therefore, coverage is effective whether through the insurance or through self-insurance funded by the campus (if Builders Risk coverage is not secured). Once the construction is complete, a C.O.P.E. form is required for projects that involve additions or major changes.

Required Information
- Campus and Project Manager
- Project Type (non-structural renovation, structural renovation, or addition)
- Project Description (e.g. window replacement, new roof, new entryway, addition-with sq ft)
- UMS Facility Asset Number
- Building Name
- Contractor Name and Address, with Contact Name, phone number and fax
- Total Contract Cost
- Start Date of Actual Construction - Estimated (see below)
- Completion Date - Estimated
- Amount Building Insurance Limit Should Be Increased (see below)

Definitions
Renovation and Addition Project: A project is a renovation or addition to an existing University building where the construction cost is $50,000 or greater, regardless of how many separate contracts or contractors are involved or if the work is done in whole or in part by University staff. A project is assumed to be continuous in progress, whether performed by one or more contractors. (However, if a significant lapse in time between the steps occurs, then it may be considered separate projects – particularly if there are separate contracts for the time-separated projects.)

Start Date: Builders Risk coverage first applies when materials are brought on the site and work on the actual project is commenced. For additions, this means when the foundation or structural work begins. Coverage is not needed for architectural services, site planning or demolition.

Amount Building Insurance Limit Should Be Increased: The current replacement cost value on existing buildings includes the cost to repair or rebuild the building at current construction costs and current codes. Therefore, the building limit would only increase for additions or if renovations add new structural elements, such as an elevator, central air conditioning (where none previously existed), or permanently attached equipment.