Guideline

Homes under renovation and/or construction of an addition are acceptable risks as part of an account for a qualifying PURE member, subject to underwriting as outlined below.

Ground-Up construction risks and ‘Gut Renovations’ that are expected to take more than 1 year to complete are not eligible for coverage. Consideration will be given on an exception basis to homes that are in the final stages of construction (three months or less from completion) for an expiring builder’s risk policy with a short rate penalty.

Please submit a completed ‘Renovation or Construction Questionnaire’ (attached).

Underwriting

- **The contractor must carry adequate liability limits.** Generally, we would expect the contractor to carry a limit equivalent to the Dwelling limit (or Combined Contents limit for apartments). Exceptions will be considered for homes with an insured limit above $2Million, subject to some reasonable level of liability being carried by the contractor and the contractor having a track record with similar projects.

- **Adequate Fire and Theft Security must be maintained.** Generally we would expect centrally monitored alarms to be in place during the project, and best practices regarding having fire extinguishers present, storing flammables off-site or in a fire resistant case and maintaining a clean worksite to be adhered to.

- **We believe it is best advice for members not to waive their rights of subrogation against the contractor by contract.** We will not decline to accept a renovation risk for a member solely because they have waived their rights of subrogation. However, we will not add a contractor to the member’s homeowner policy.

- **For the duration of the work –**
  - **Replacement Cost Coverage Endorsement will be applied** - limiting the most we will pay to the Dwelling limit on the policy.
  - **Renovation Surcharge will be applied** – the surcharge is 25% of the premium and will remain on the policy until the work is complete (the surcharge applies on a pro-rate basis).
  - **A deductible of $10,000 must be selected** – depending on the size and scope of the work, a higher deductible may be required.

- **We will not entertain any project, with wind, where the envelope of the structure is open/exposed during hurricane season in the following areas:**
  - Florida, coastal counties in South Carolina, North Carolina, Georgia, Texas, Alabama

These guidelines are proprietary and confidential and may not be disclosed or distributed for outside circulation without prior written approval from PURE. In addition, these guidelines are subject to change and all risks are subject to underwriting approval.
Questionnaire -
1. Please provide a brief description of the work to be done.

2. What is the estimated cost of the work?
3. How long is the work expected to take?
4. Do you plan to live in the home while the work is being carried out?
5. What is the name of the General Contractor (GC)?

6. What limit of general liability insurance does the GC carry?
7. Will an active central station burglar and fire alarm system be in place?

Required Documents -
- Copy of the GC’s General Liability Policy
- Copy of the signed contract

Recommended Security Measures -
- Maintain fire extinguishers in each room of the house that will have work being done.
- Ensure that smoke and heat detector units are uncovered and operational at the end of the work day.
- Ensure that the General Contractor establish a no-smoking policy for workers.
- Store flammable and or combustible materials in a UL listed fire proof storage cabinet.
- Hold the GC accountable for doing a final walk through of the work site at the end of the day, and setting the alarm system when he/she leaves.