

Policy No. -

**BUILDERS RISK PLUS®**  
**TIME ELEMENT COVERAGE SUPPLEMENTAL DECLARATIONS**

**NAMED INSURED:**

**POLICY PERIOD:**  
to

Insurance under Time Element Coverage applies to only those Coverages shown by ( X ) below.

**COVERAGES**

( ) 1. "Soft Costs"

- ( ) a. Interest on money borrowed to finance construction (including costs which directly result from renegotiation of construction loan(s)).
- ( ) b. Advertising and promotional expenses.
- ( ) c. Realty taxes and other assessments; license and percent fees.
- ( ) d. Architectural or Engineering Supervisory or consulting fees.
- ( ) e. Costs resulting from the renegotiation of your lease(s).
- ( ) f.

( ) 2. "Rental Value"

**LIMIT OF INSURANCE:**

The most we will pay for your amount of loss under this endorsement is:

1. \$ for "Soft Costs"
2. \$ for "Rental Value"

**DEDUCTIBLE:** ( ) \$ ( ) days

Locations Covered:

( ) All jobsites described in the Builders Risk Plus Declarations

**OR**

( ) The following jobsite only:

Words and phrases that appear in quotation marks have special meaning. Refer to the **Definitions** Section of this endorsement and of your Coverage Form.

The following terms and conditions apply, in addition to all terms and conditions (except the Coinsurance, and Deductible Provisions) of your Coverage Form.

## A. Coverage

### 1. "Soft Costs"

When indicated by an " X " in the applicable parentheses of your **Time Element Coverage Supplemental Declarations**, we will pay your "soft costs" during the "period of delay in completion." Such "soft costs" must result from "loss" from a Covered Cause of Loss which delays the completion of the "project" beyond the "planned completion date."

Our payment for your "soft costs" is subject to the terms and conditions of this endorsement. Also, the amount we pay for Items **b.**, **d.**, or **f.** (shown in the Supplemental Declarations) won't be more than your actual expense for each of these items prior to the "loss."

### 2. "Rental Value"

When indicated by an " X " in the applicable parentheses of your **Time Element Coverage Supplemental Declarations**, we will pay the amount by which your "rental value" is actually reduced during the "period of delay in completion." Such reduction in "rental value" must result from "loss" from Covered Cause of Loss which delays the completion of the "project" beyond the "planned completion date."

But if your policy was endorsed to permit occupancy and the building or structure was occupied for its intended purpose at the time of "loss," we will pay the amount by which your "rental value" is actually reduced during the "post-loss period of construction."

### 3. Additional Coverages

#### a. Expense to Reduce the "Loss Amount"

We will pay the necessary expense you incur during the "post-loss period of construction" if you would not have incurred such expense had there not been "loss" from any of the Covered Causes of Loss which delayed the completion of the "project" beyond the "planned completion date." But we will not pay more for your expense than the amount by which such expense reduces the "loss amount" we would have otherwise paid under this endorsement.

#### b. Civil Authority

We will pay the "loss amount" incurred by you during the first two consecutive weeks after the "planned completion date" when a civil authority prohibits access to your "jobsite." The denied access must result from "loss" by a Covered Cause of Loss to property at a location other than the jobsite described in your **Time Element Coverage Supplemental Declarations**.

## B. Exclusions

We will not pay for the "loss amount" that is directly or indirectly due to an increase in the "post-loss period of construction" caused by any of the following. Such "loss amount" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the following:

1. Interference by strikers or other persons affecting the:
  - a. construction or repair of the Covered Property; or
  - b. operation or use of the "project" if your policy is endorsed to permit occupancy, and the building or structure was occupied for its intended purpose at the time of "loss."

2. Irregularities in production, shipment or transportation of any property to be used in the construction or repair of the Covered Property.
3. Suspension, lapse or cancellation of any lease, permit, license, contract or order.
4. Breach of contract, late or noncompliance with orders or penalties of any nature.
5. Weather conditions.
6. Deficiencies in the original construction designs, specifications or materials.
7. Enforcement of any ordinance or law which:
  - a. regulates the construction, use or repair, or requires demolition of any property;
  - b. requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants," "fungus," wet rot, dry rot, or bacteria;
  - c. you were required to comply with before the "loss," even if the building was undamaged, and you failed to comply with such ordinance or law.
8. Lack of funds or lack of work force.

**C. Limits Of Insurance**

The most we will pay for the "loss amount" incurred by you is the Limit of Insurance shown in the **Time Element Coverage Supplemental Declarations**.

Any payment made under this endorsement is in addition to the applicable Limits of Insurance shown elsewhere in this policy.

**D. Deductible**

We will pay the amount of the adjusted "loss" in excess of the Deductible amounts shown in the Declarations, up to the applicable Limit of Insurance.

This deductible does not apply to insurance afforded under Section **A.3. Additional Coverages**.

**E. Additional Conditions**

**1. Your Duties in the Event of "Loss"**

You must do the following in the event of "loss" to Covered Property:

- a. Make every effort to meet the "planned completion date." This includes, but is not limited to:
  - (1) resumption of, as soon as possible, all or any part of the construction or repair;
  - (2) use of any machinery, equipment, supplies or materials that could reduce the "period of delay in completion"; and
  - (3) resumption of, as soon as possible, the operation or use of any part of the "project," if your policy states that permission to occupy is granted, and the building or structure was occupied for its intended purpose at the time of "loss."

If you do not make every effort to meet the "planned completion date," or you do not resume the operation or use of any part of the "project" as soon as possible, we will only pay the "loss amount" that we would have otherwise paid if you had complied with the above conditions.

- b. Notify us of any payment you receive from others due to a delay in the completion of construction beyond the "planned completion date."

## 2. Determining the "Loss Amount"

The "loss amount" will be determined based on:

- a. your actual and anticipated costs for the project had "loss" from any of the Covered Causes of Loss not occurred;
- b. Either:
  - (1) your likely "rental value" during the "period of delay in completion" had "loss" from any of the Covered Causes of Loss not occurred; or
  - (2) your likely "rental value" during the "post-loss period of construction" had "loss" from any of the Covered Causes of Loss not occurred, if your **Builders Risk Plus** Policy states that permission to occupy is granted, and the building was occupied for its intended purpose at the time of "loss."
- c. your actual "rental value" before "loss" from any of the Covered Causes of Loss occurred, if your policy states that permission to occupy is granted, and the building was occupied for its intended purpose at the time of "loss";
- d. other relevant sources of information that you must provide including, but not limited to:
  - (1) your financial records and accounting procedures;
  - (2) bills, invoices and other vouchers; and
  - (3) deeds, liens and contracts.
- e. any amounts by which the "loss amount" is reduced due to your failure to perform **Your Duties in the Event of Loss** outlined in this policy.

## 3. Liquidated Damages

If the construction contract for the "project" contains a clause that requires payments to you because of a delay in the completion of the "project" beyond the "planned completion date," we will subtract the amount due from others, whether you have collected it or not, from the "amount of loss" we would have otherwise paid.

## F. Definitions

**"Loss Amount"** means the sum of your actual "soft costs" or "rental value," as covered by this endorsement.

**"Period of delay in completion"** means the period of time that:

- a. begins with the "planned completion date"; and

- b. ends on the date when the "project" should be completed using reasonable speed and similar materials and workmanship.

**"Planned completion date"** means the date the "project" would be put into operation or use in the normal course of construction if "loss" from any of the Covered Causes of Loss had not occurred.

**"Post-loss period of construction"** means the period of time that:

- a. begins with the date of the "loss" by any Covered Cause of Loss; and
- b. ends on the date the "project" should be completed using reasonable speed and similar materials and workmanship.

**"Project"** means the total construction of all Covered Property at the jobsite or described in the **Time Element Supplemental Declarations**.

**"Rental value"** means the sum of:

- a. the total rental income from the tenant occupancy of the completed "project," as furnished and equipped by you;
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
- c. the fair rental value of any portion of the completed "project" which would have been occupied by you.

But Rental Value does not include normal operating expenses which are discontinued as a result of a "loss."

**"Soft costs"** means your actual and necessary costs in excess of your actual and anticipated amount for the "project" consisting only of the following for which an " X " appears in the applicable parentheses of your **Time Element Coverage Supplemental Declarations**:

- a. interest on money borrowed to finance construction of the Covered Property (including costs which directly result from renegotiation of construction loan(s) e.g. Loan commitment fees, including prepaid interest and points);
- b. advertising and promotional expenses;
- c. realty taxes and other assessments, license and permit fees;
- d. architectural or engineering supervisory or consulting fees;
- e. costs resulting from renegotiating your lease(s) including:
  - (1) legal, accounting and administration fees;
  - (2) commissions.
- f. other as specified in the **Time Element Coverage Supplemental Declarations**.

**Other Terms Remain The Same**