

Agent / Product Questions

Why should we use <COMPANY> over our other carriers?

Answer: Because we're the best. Stop wasting your time with other BR carriers.

Suggested Verbiage: <COMPANY> has the industry's fastest and easiest policy issuance system. With more than 40 years in the business, we want to be your partner and help grow. We underwrite more than \$20 billion in managed premiums. We're licensed in all 50 states and offer access to "A" rated carriers. We also don't require any premium commitments – we're here when you need us.

Why is <COMPANY> more expensive than Liberty Mutual (or any other carrier)?

Answer: We don't market ourselves as a discount or value carrier – we consider our coverage to be the best in the industry and what most people need for most projects. Also, it's difficult to evaluate an exact reason why, since we aren't looking at both coverage forms.

Suggested Verbiage #1: We pride ourselves on offering a comprehensive product that fits most projects' needs. We use our 40+ years of experience in the market to determine which coverages to include or exclude. We're admitted in all 50 states and we don't leave markets when disaster strikes.

Why do some of my submissions go on hold (or have many holds)?

Answer: Projects can go on hold for any number of reasons. The more complex the project, the more likely there are holds. Commercial Builders Risk (CBR) risks are typically more complicated than Residential Builders Risk (RBR). Holds allow an Underwriter to review the application and probe the agent for additional questions, approving or denying coverage. In Marketing, we don't know why a specific project went on hold. Ask more about the project.

Suggested Verbiage: There are many reasons for a submission to be reviewed by our underwriter, including location, project complexity and value, or optional coverages. We strive to offer an efficient, accurate underwriting process so you can issue a policy that you (and the insured) can trust.

What's the difference between General Liability and your Premises Liability product?

Answer: General liability refers to a range of products that covers damages to a third party resulting in bodily injury or property damage resulting from the operation of a business. Premises liability is a *form* of general liability that covers a specific property or property owner. Agents often use the term "general liability" and "premises liability" interchangeably.

Suggested Verbiage: General liability covers a person or entity everywhere they operate their business. Premises liability covers a specific location and its owner – like a new home under construction. It's sometimes referred to as 'slip and fall' coverage.

What is "pro-rata"?

Answer: Literally, it's Latin for proportional. You may also know it as "prorated" or "proration". In insurance, if a policy is canceled pro-rata, the insurance carrier has to refund part of the premium that was already paid. An even distribution of the premium is calculated based on the time coverage was in effect, subject to a minimum earned premium based on the state. This is state and product specific.

Why are your Builders Risk policies all fully earned? Why are they only for 12 months? Can I cancel a Builders Risk policy?

Answer: Typically, our builders risk policies are fully earned. However, higher valued projects, like residential new construction with a completed value of \$1 million or higher, qualify for a pro-rata cancellation in the 2nd term. Commercial new construction with a completed value of \$1 million or higher qualify for a pro-rata cancellation in the 1st or 2nd term. For remodeling projects, we offer 6-, 9-, or 12-month policy terms.

Suggested Verbiage (Fully Earned / 12-month term): *Not all Builders Risk policies are fully earned. Some, like residential and commercial new construction over \$1 million, offer pro-rata cancellations. Additionally, remodeling projects are available in 6-, 9-, or 12-month policy terms. For policies that are fully earned, it is a <COMPANY> requirement for ground up construction and tied into the rates we file.*

Suggested Verbiage (Can I cancel?): *You can cancel coverage if needed, but the premium is fully earned and isn't returned**

*It's best to transfer this call to Service (not Billing). We may know the state and the product, but we don't know the term or any policy specifics. Do not rely on what the agent is telling you and do not make any promises.

My client builds 5 / 25 / 150 houses per year. Which works best, one-shot policies, reporting forms or deposit premium?

Answer: We can't answer this for the agent. What works best for the agent is what works best for the insured. If they're building 15 houses a year and keep good records, then a monthly reporting form may be their best bet. If they do not keep good records, they could find themselves underinsured. Deposit premium is for large builders (more than 25 starts / year) and does not require monthly reporting.

Suggested Verbiage: *Generally, a builder who has more than five starts a year can use a reporting form. Builders who have more than 150 starts can use deposit premium. If they have less than 5 starts a year, writing individual policies – one shots – are an option. However, it's more than just a number of starts. In order to use a reporting form or deposit premium, the builder must be able to accurately track what projects are starting, in progress or completed. Failing to do so could result in them being underinsured or paying for coverage they don't need.*

My client flips houses. Should they use your Remodeling or Vacant Structure product?

Answer: Remodeling requires that 20% or more of the Actual Cash Value (ACV) goes back into the home. In addition, the shortest policy term available is 6 months. The Vacant Structure product requires 15% or less of ACV and is typically used for minor work, such as painting or replacing light fixtures.

Suggested Verbiage: *It depends on what they're doing in that timeframe. If the work is 15% or less of the Actual Cash Value of the property, our Vacant Structure product may be a better option. If they're doing more intensive remodeling, and putting more than 20% of the Actual Cash Value back into the property, then our Remodeling coverage may fit their need. Vacant Structure policy terms are as short-term as 3 months, while Remodeling terms start at 6 months.*

My client is getting a new home built / starting a new project. When should we obtain the Builders Risk policy?

Answer: When construction starts. This is either when they "break ground" or when materials start to show up on site.

Suggested Verbiage: *It's best to have the policy ready to go on day one – and day one can be the first day materials appear on site. You shouldn't wait until construction has already started. I have a resource that talks about the importance of having builders risk coverage. Are you near a computer?"*

System Questions

What information can I edit in Workplace?

Answer: You can edit Producer email addresses and phone numbers only. Name changes / corrections, address updates, or anything else must be referred to Licensing (email@email.com). Requests to Licensing must be submitted by the agent in writing (email is acceptable).

Industry / Insurance Questions

What is a wind pool?

Answer: If a property is located in a state with a wind pool then they are eligible to obtain coverage from a state-subsidized plan. If the property is within 1,000 feet of the coast in a state without a wind pool, it's not in <COMPANY>'s appetite.

What's the difference between JH Ferguson, Global Indemnity and "Diamond State paper"?

Answer: JH Ferguson is the Managing General Agency of the Vacant Structure and Rental Dwelling programs offered by Global Indemnity on Diamond State paper. For example, <COMPANY> is the Program Administrator for <COMPANY>'s Builders Risk program, which is written on <COMPANY> paper.

What is Excess and Surplus Lines?

Answer: Excess and surplus lines insurance is a segment of the insurance market that allows consumers to buy insurance through the non-admitted market. When a standard carrier decides not to write a policy, you may be able to find insurance coverage in this segment of the industry. It is also referred to as E&S, specialty lines, surplus insurance and hard-to-place business.

What is the difference between "admitted" and "non-admitted" states / carriers?

Short Answer: Admitted carriers pay into a state guaranty fund that will pay claims in the event the carrier can't, for example, after a natural disaster or if the carrier fails. Non-admitted and Excess and Surplus Lines go hand-in-hand.

Detailed Answer: Admitted products cover most needs for most people in most areas. Admitted carriers are required to submit their rates and have them approved by the state. Consumers are able to file complaints with the state insurance board.

Both admitted and non-admitted carriers are graded by A.M. Best. <COMPANY>'s Builders Risk is admitted in all 50 states; Vacant Structure, Rental Dwelling and Premises Liability (through JH Ferguson) vary by state and location.