

RESIDENTIAL CONSTRUCTION CONTRACT

Insurance Restoration Project - Comprehensive Agreement

CONTRACT IDENTIFICATION

Contract Number: [Unique ID]

Date: [Current Date]

Project Type: Insurance Restoration

Start Date: [Anticipated Start]

PARTIES TO THE CONTRACT

PROPERTY OWNER/POLICYHOLDER ("Owner")

Name(s): [Full Legal Names]

Address: [Current Mailing Address]

Property Address: [Loss Location if different]

Phone: [Primary] | [Secondary]

Email: [Email Address]

CONTRACTOR ("Contractor")

Company Name: [Legal Business Name]

DBA: [If applicable]

License Number: [State License #]

Classification: [License Classification]

Address: [Business Address]

Phone: [Office] | [Cell]

Email: [Business Email]

Insurance Carrier: [Contractor's Insurance]

Policy Number: [GL Policy #]

Bond Number: [If applicable]

PROJECT LOCATION

Address: [Complete Property Address]

Legal Description: [Lot/Block or Legal Description]

Permit Address: [If different]

INSURANCE CLAIM INFORMATION

Insurance Carrier: [Company Name]

Policy Number: [Policy #]

Claim Number: [Claim #]

Date of Loss: [Date]

Adjuster Name: [Name]

Adjuster Phone: [Direct Line]

Adjuster Email: [Email]

Claim Amount Approved: \$[Amount]

ARTICLE 1: SCOPE OF WORK

1.1 General Description

Contractor shall provide all labor, materials, equipment, tools, supervision, and services necessary for the complete restoration of the property following the insured loss that occurred on [Date], including but not limited to:

1.2 Detailed Scope of Work

INCLUDED IN CONTRACT: ☐ Demolition and debris removal ☐ Water mitigation and drying ☐ Mold remediation (if required) ☐ Structural repairs ☐ Roofing repairs/replacement ☐ Siding and exterior repairs ☐ Window and door replacement ☐ Electrical system repairs ☐ Plumbing system repairs ☐ HVAC system repairs ☐ Insulation replacement ☐ Drywall installation and finishing ☐ Interior painting ☐ Flooring installation ☐ Cabinet installation ☐ Fixture installation ☐ Final cleaning ☐ Code-required upgrades ☐ Other: [Specify]

[Detailed Scope of Loss attached as Exhibit A - must be signed by all parties]

1.3 Excluded Work

The following items are specifically EXCLUDED from this contract:

- Contents cleaning/restoration (unless specified)
- Landscaping (unless specified)
- Upgrades beyond insurance scope
- Betterments not related to loss
- Deductible reduction schemes
- [Other exclusions]

1.4 Reference Documents

This contract incorporates by reference:

- Insurance company scope of loss dated [Date]
- Contractor's estimate dated [Date]
- Xactimate/estimation software report #[Number]
- Engineering reports (if applicable)
- Architectural plans (if applicable)

ARTICLE 2: CONTRACT PRICE AND PAYMENT

2.1 Contract Sum

Base Contract Amount: \$[Amount]

Breakdown:

- Labor: \$[Amount] ([%] of total)
- Materials: \$[Amount] ([%] of total)
- Subcontractors: \$[Amount] ([%] of total)
- Equipment: \$[Amount] ([%] of total)
- Overhead: \$[Amount] ([%] of total)
- Profit: \$[Amount] ([%] of total)
- **Total:** \$[Amount]

2.2 Price Basis

☐ **Fixed Price Contract** - Total price is fixed at \$[Amount] ☐ **Time and Materials** - Not to exceed \$[Amount] ☐ **Cost Plus** - Cost plus [%] fee, not to exceed \$[Amount] ☐ **Unit Price** - Based on measurements and unit prices

2.3 Payment Schedule

Draw #	Milestone	% Complete	Amount Due	Insurance Approval
1	Contract signing	0%	\$[Amount]	Required
2	Permits & demolition	10%	\$[Amount]	Required
3	Dry-in complete	30%	\$[Amount]	Required
4	Rough mechanicals	50%	\$[Amount]	Required

Draw #	Milestone	% Complete	Amount Due	Insurance Approval
5	Drywall complete	70%	\$(Amount)	Required
6	Substantial completion	90%	\$(Amount)	Required
7	Final completion	100%	\$(Amount)	Required

2.4 Insurance Payment Provisions

ASSIGNMENT OF BENEFITS: ☐ Owner assigns insurance benefits to Contractor ☐ Owner retains benefits, pays Contractor directly ☐ Three-party agreement (Owner/Contractor/Mortgage)

INSURANCE PROCEDURES:

1. Contractor may communicate directly with adjuster
2. Supplemental claims included in scope
3. Owner responsible for deductible: \$(Amount)
4. Code upgrades: ☐ Covered ☐ Owner pays difference
5. Depreciation recovery: Contractor assists with documentation

2.5 Payment Terms

- **Due Date:** Within [#] days of invoice
- **Late Payment:** [%] per month after [#] days
- **Mechanics Lien Rights:** Preserved per state law
- **Disputed Items:** Held in escrow pending resolution

ARTICLE 3: TIME OF PERFORMANCE

3.1 Schedule

Commencement Date: [Date] or within [#] days of:

- ☐ Permit issuance
- ☐ Insurance approval
- ☐ Signed contract

Substantial Completion: [Date] or [#] calendar days from start

Final Completion: [Date] or [#] days after substantial

3.2 Time is of the Essence

Time is of the essence for:

- Preventing further damage
- Minimizing additional living expenses
- Meeting insurance deadlines
- Allowing Owner to return home

3.3 Delays

EXCUSABLE DELAYS (Time extension, no cost):

- Weather (as defined below)
- Acts of God/Force majeure
- Insurance company delays
- Permit/inspection delays
- Material shortages beyond control
- Hidden conditions discovered

COMPENSABLE DELAYS (Time and cost adjustment):

- Owner-requested changes
- Owner-caused delays
- Additional work discovered
- Scope increases

WEATHER DELAYS: Definition: [Specific conditions that constitute weather delay] Documentation: Daily logs required Extension: Day-for-day for qualifying events

3.4 Acceleration

If Owner requires acceleration:

- Contractor provides cost estimate
- Written change order required
- Premium time/expediting costs additional

ARTICLE 4: CHANGE ORDERS

4.1 Change Order Procedures

NO WORK SHALL BE PERFORMED WITHOUT WRITTEN AUTHORIZATION

CHANGE ORDER PROCESS:

1. Discovery/Request for change
2. Contractor provides written estimate
3. Owner approval in writing
4. Insurance approval (if seeking coverage)
5. Work proceeds after all approvals

4.2 Types of Changes

INSURANCE SUPPLEMENTS:

- Hidden damage discovered
- Code-required upgrades triggered
- Adjuster-approved additions
- Process: [Specific supplement procedure]

OWNER UPGRADES:

- Beyond insurance scope
- Owner pays difference
- Separate invoicing
- Does not delay base work

UNFORESEEN CONDITIONS:

- Immediate documentation required
- Photo/video evidence
- Adjuster notification within [24] hours
- Emergency work authorized to \$[Amount]

4.3 Change Order Form

[Standard form attached as Exhibit B]

Must include:

- Description of change
- Cost breakdown

- Time impact
 - Insurance coverage status
 - Payment terms
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ARTICLE 5: WARRANTIES

5.1 Contractor's Warranty

WARRANTY PERIOD: [1-2] years from substantial completion

COVERAGE: Contractor warrants all work will be:

- Free from defects in workmanship
- Performed in workmanlike manner
- In accordance with industry standards
- Compliant with all codes
- Per manufacturer specifications

EXCLUSIONS:

- Normal wear and tear
- Owner abuse or neglect
- Acts of God
- Settling or movement
- Manufacturer defects (pass-through only)

5.2 Manufacturer Warranties

All manufacturer warranties assigned to Owner:

- Roofing: [Years]
- Windows: [Years]
- Appliances: [Per manufacturer]
- HVAC: [Years]
- Other: [List]

5.3 Warranty Service

RESPONSE TIME:

- Emergency (active damage): [4-24] hours
- Urgent (potential damage): [48-72] hours
- Routine: [5-10] business days

PROCEDURE:

1. Written notice to Contractor
 2. Opportunity to inspect
 3. Contractor performs repair
 4. No charge for warranty work
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ARTICLE 6: INSURANCE AND BONDS

6.1 Contractor's Insurance

REQUIRED COVERAGE:

- General Liability: \$[1-2 million] per occurrence
- Property Damage: \$[1-2 million]
- Completed Operations: \$[1-2 million]
- Workers Compensation: As required by state
- Auto Liability: \$[1 million]

ADDITIONAL INSURED: ☐ Owner named as additional insured ☐ Mortgage company if required

6.2 Owner's Insurance

- Property insurance maintained
- Contractor not liable for deductible
- Owner promptly reports supplements
- Builder's Risk: ☐ Owner provides ☐ Contractor provides

6.3 Bonds (if required)

- ☐ Performance Bond: \$[Amount]
- ☐ Payment Bond: \$[Amount]
- ☐ Not required for this project

6.4 Indemnification

Each party indemnifies the other for their own negligence

Contractor indemnifies for subcontractor acts

Owner indemnifies for pre-existing conditions

ARTICLE 7: PERMITS AND INSPECTIONS

7.1 Permits

CONTRACTOR OBTAINS:

- Building permit
- Electrical permit
- Plumbing permit
- Mechanical permit
- Other: [List]

COSTS: ☐ Included in contract price ☐ Additional, estimated at \$[Amount]

7.2 Inspections

REQUIRED INSPECTIONS:

Type	When	By Whom	Status
Foundation	If applicable	Building Dept	Pending
Framing	After framing	Building Dept	Pending
Rough electrical	Before insulation	Electrical Dept	Pending
Rough plumbing	Before insulation	Plumbing Dept	Pending
Insulation	Before drywall	Building Dept	Pending
Final electrical	At completion	Electrical Dept	Pending
Final plumbing	At completion	Plumbing Dept	Pending
Final building	At completion	Building Dept	Pending

7.3 Code Compliance

- Work meets current codes
- Code upgrades identified separately
- Owner informed of requirements
- Costs documented for insurance

ARTICLE 8: OWNER RESPONSIBILITIES

8.1 Owner Shall:

- Provide site access
- Remove or protect valuables
- Maintain insurance coverage
- Pay deductible when due
- Approve selections timely ([48-72] hours)
- Cooperate with inspections
- Make payments per schedule
- Communicate with insurance
- Provide temporary storage space
- Relocate if necessary

8.2 Owner's Decisions

REQUIRED WITHIN [48-72] HOURS:

- Material selections
- Color choices
- Change order approvals
- Problem resolutions

DEFAULT SELECTIONS: If Owner doesn't respond timely:

- Contractor may select comparable items
- No delay claims allowed

8.3 Access and Utilities

- Continuous access during work hours
 - Utilities available for construction
 - Lockbox permitted
 - Reasonable entry for emergency
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ARTICLE 9: CONTRACTOR RESPONSIBILITIES

9.1 Contractor Shall:

- Perform quality workmanship
- Supervise all work properly
- Maintain safe worksite
- Daily cleanup
- Protect undamaged property
- Maintain insurance
- Obtain permits
- Schedule inspections
- Coordinate subcontractors
- Communicate progress weekly
- Document with photos
- Assist with insurance claims

9.2 Worksite Management

WORK HOURS:

- Monday-Friday: [7am-6pm]
- Saturday: [8am-5pm]
- Sunday: [No work unless emergency]
- Holidays: [No work]

SAFETY:

- OSHA compliance required
- Safety equipment mandatory
- Hazards immediately addressed
- Accidents reported immediately

9.3 Subcontractors

- All properly licensed
- All properly insured

- Contractor liable for their work
 - List provided to Owner
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ARTICLE 10: DISPUTE RESOLUTION

10.1 Resolution Process

STEP 1: DIRECT NEGOTIATION

- Time limit: [30] days
- Good faith required
- Documentation maintained

STEP 2: MEDIATION

- If negotiation fails
- Mediator mutually selected
- Costs split equally
- Time limit: [60] days

STEP 3: ARBITRATION

- If mediation fails
- Binding arbitration
- Per state arbitration rules
- Arbitrator's fees split initially, awarded finally

10.2 Continuation of Work

Unless safety issue or non-payment:

- Work continues during disputes
- Disputed amounts held in escrow
- No work stoppage allowed

10.3 Attorney Fees

Prevailing party recovers reasonable attorney fees

ARTICLE 11: DEFAULT AND TERMINATION

11.1 Owner Default

EVENTS OF DEFAULT:

- Non-payment after notice
- Failure to provide access
- Failure to maintain insurance
- Material breach of contract

CONTRACTOR'S REMEDIES:

- Stop work
- Terminate contract
- Recovery payment for work completed
- File mechanics lien
- Pursue legal remedies

11.2 Contractor Default

EVENTS OF DEFAULT:

- Abandonment of project
- Failure to pay subcontractors
- Substandard work after notice
- Failure to maintain insurance
- Material breach of contract

OWNER'S REMEDIES:

- Terminate after [7-10] day cure period
- Complete work with others
- Offset excess costs
- Pursue warranty claims
- Pursue legal remedies

11.3 Termination for Convenience

OWNER MAY TERMINATE:

- With [30] days notice
 - Pay for work completed
 - Pay for materials ordered
 - Pay reasonable overhead/profit on incomplete work
 - Pay demobilization costs
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ARTICLE 12: SPECIAL PROVISIONS

12.1 Insurance Claim Specific

SUPPLEMENTAL CLAIMS:

- Contractor prepares supplements
- Owner cooperates fully
- Hidden damage documented immediately
- Photos/videos maintained

MORTGAGE COMPANY: If mortgage company involved:

- Contractor coordinates inspections
- Draw schedule modified as required
- Three-party agreement if needed

12.2 Matching and Compatibility

WHEN EXACT MATCH UNAVAILABLE:

- Contractor notifies immediately
- Best match selected
- Insurance approval sought
- Owner approval if insurance denies

12.3 Temporary Living

- Contractor coordinates with Owner's schedule
- Minimizes displacement time
- Priority on critical living spaces
- Dust/noise mitigation during partial occupancy

12.4 Hazardous Materials

IF DISCOVERED:

- Work stops immediately
 - Owner and insurance notified
 - Specialized contractor required
 - Additional costs documented
 - Time extension granted
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ARTICLE 13: ADDITIONAL TERMS

13.1 Entire Agreement

This contract and attachments constitute entire agreement

13.2 Amendments

Must be written and signed by both parties

13.3 Severability

Invalid provisions don't void remainder

13.4 Governing Law

Governed by laws of [State]

13.5 Notice

TO OWNER: [Address] [Email]

TO CONTRACTOR: [Address] [Email]

13.6 Assignment

Neither party may assign without written consent

13.7 Survival

Warranties and indemnities survive completion

ARTICLE 14: LIEN WAIVERS

14.1 Progress Payments

Partial lien waivers with each draw

14.2 Final Payment

Final lien waivers from:

- Contractor
- All subcontractors
- All material suppliers

14.3 Lien Notice

Contractor provides required pre-lien notices per state law

ARTICLE 15: SIGNATURES

ACCEPTANCE AND AGREEMENT

This contract is entered into as of the date last signed below.

OWNER ACCEPTANCE

OWNER #1:

Signature

Print Name: [Name]

Date: [Date]

OWNER #2 (if applicable):

Signature

Print Name: [Name]

Date: [Date]

CONTRACTOR ACCEPTANCE

CONTRACTOR:

Signature

Print Name: [Name]

Title: [Title]

Company: [Company Name]

Date: [Date]

License #: [Number]

WITNESS (if required)

Signature

Print Name: [Name]

Date: [Date]

ATTACHMENTS

Required Attachments

☐ **Exhibit A:** Detailed Scope of Work/Loss ☐ **Exhibit B:** Change Order Form Template ☐ **Exhibit C:** Insurance Estimate/Approval ☐ **Exhibit D:** Payment Schedule Details ☐ **Exhibit E:** Specifications and Finishes ☐ **Exhibit F:** Contractor's Insurance Certificate ☐ **Exhibit G:** License and Bond Copies ☐ **Exhibit H:** Subcontractor List ☐ **Exhibit I:** Warranty Information ☐ **Exhibit J:** Site Plan/Drawings (if applicable) ☐ **Exhibit K:** Pre-Construction Photos

POST-CONTRACT CHECKLIST

For Owner:

- ☐ Keep fully executed copy
- ☐ Provide copy to insurance
- ☐ Provide copy to mortgage company

- ☐ Review payment schedule
- ☐ Calendar milestone dates
- ☐ Arrange temporary housing
- ☐ Protect/remove valuables

For Contractor:

- ☐ Provide insurance certificates
 - ☐ Pull required permits
 - ☐ Order long-lead materials
 - ☐ Schedule subcontractors
 - ☐ Set up project file
 - ☐ Document pre-construction condition
 - ☐ Provide schedule to Owner
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IMPORTANT NOTICES

MECHANICS LIEN WARNING: Under state law, those who work on your property or provide materials and are not paid have a right to enforce a claim against your property. This claim is known as a mechanics lien. If your contractor or a subcontractor fails to pay subcontractors, sub-subcontractors, or material suppliers, those who are owed money may look to your property for payment, even if you have paid your contractor in full.

INSURANCE CLAIM NOTICE: This contract is contingent upon insurance approval and funding. Changes in insurance coverage or claim decisions may affect this contract. Both parties agree to work cooperatively with the insurance company to maximize coverage and complete repairs.

THREE-DAY RIGHT TO CANCEL: [If applicable in your state, include cancellation rights]

This contract template should be reviewed by an attorney in your jurisdiction to ensure compliance with state and local requirements.