S&S INSURANCE
SERVICE

SCAN TO START



WOOD FRAME CONSTRUCTION · PHOTOGRAPH BY JOSH OLALDE, UNSPLASH LICENCE

BUILDERS RISK · COURSE OF CONSTRUCTION · BRITISH COLUMBIA

Insurance for the building before it is a building.

Builders risk covers the work while it goes up. It has to start before the first delivery and hand over cleanly at the end.

WRITTEN FOR

Owners, developers, general contractors and homeowners building new or renovating

ARRANGED BY

S&S Insurance Services Ltd. Serving the community for more than forty years

LICENSED IN

British Columbia, for general insurance

General information only, not advice about your business. What is covered is decided by the wording of the policy actually issued. · sandsinsurance.ca

WHAT THIS COVER ANSWERS FOR

The project needs its own policy.

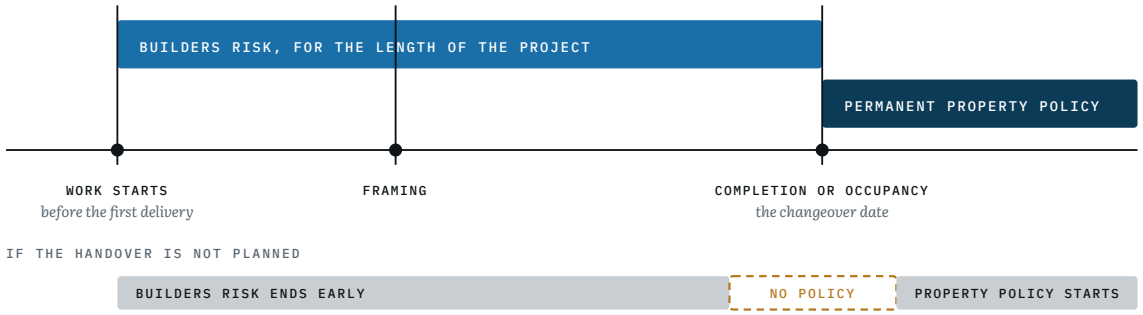
Builders risk runs for the length of the build, not for a year.

Builders risk, also called course of construction insurance, covers a building while it is being built. It is designed to pay to restore the partly finished structure and the materials on site after a loss such as fire, storm, theft or vandalism, on the terms of its wording. Lenders and owners normally ask for it, and a construction mortgage may make proof of cover a condition of releasing funds.

The Province's standard construction contract, CCDC 2, asks for cover on all property to be used in the construction of the work, from the day work starts. The cover usually ends at completion or occupancy. If the policy runs out before the project is finished, cover stops mid build, and a late extension is not always granted on the same terms.

From the first delivery to the handover

Two policies, one changeover date. The second row shows what happens when nobody plans it.



Example only. No dates are real. Builders risk usually ends at completion, occupancy or policy expiry, whichever comes first. The issued wording decides the exact end point.

2.1 Six ways a project policy can go wrong

TERM TOO SHORT

The project runs late and the policy does not. A late extension may not come on the same terms.

VALUE SET AT CONTRACT PRICE

The amount insured should reflect the completed value, including materials and soft costs.

NO HANDOVER PLAN

Cover ends at completion or occupancy. The permanent policy has to be ready that day.

LATE START

Cover should begin before the materials arrive, not after framing.

LONG STOPPAGE

Many wordings restrict cover if work stops for longer than a set stretch.

MOVING IN EARLY

Occupying before the changeover can leave neither policy answering.

What a builders risk policy can include.

Each item is a section of the wording, with its own terms. Some are only there if you ask for them.

01 · THE STRUCTURE

The work in place

From the foundation to the finish.

- The building under construction
- Fire, storm, water, theft and vandalism, as the wording sets out
- Renovations and conversions of existing buildings

02 · MATERIALS

What is waiting to go in

Lumber, fixtures, windows and equipment not yet installed.

- Materials on site
- Materials in transit
- Materials in off-site storage

03 · SOFT COSTS

When a loss delays completion

Only there if arranged. On a financed project they can matter as much as the damage.

- Extra loan interest
- Extended permits
- Additional consultant fees
- Lost rent

04 · ALONGSIDE

Arranged as separate policies

Not part of the builders risk policy. Placed beside it.

- Liability during construction, or wrap-up liability
- Contractor tools and equipment
- Surety bonds
- Umbrella and excess liability

Wood frame construction is rated, not excluded. Multi-storey wood frame is decided case by case. All terms are subject to underwriting.

Faulty work and the damage it causes are two different things.

Generally the defective work itself is not covered. Damage that results from it may be, depending on the wording.

- ○ Ask how your wording treats faulty workmanship
- ○ Ask how it treats the damage that follows
- ○ Tell us before work starts on a building you own
- ○ Your existing property policy may limit cover during construction

Four site conditions that can decide a claim.

A builders risk wording asks things of the site, not only of the paperwork.

1

Start date

Cover should begin before materials arrive, not after framing. A policy bound late leaves the first weeks open.

2

Work stoppage

Most wordings restrict cover when construction pauses for longer than a set stretch. Tell us before a long pause, not after.

3

Security

Fencing, lockup and lighting named in the wording are conditions. Site security can affect both the terms and the price.

4

Occupancy

Moving in before the policy converts to a property policy can leave neither one answering. The changeover date is a real date.

AN EXAMPLE

A fire during framing

A fire during framing destroys three weeks of work and the lumber stacked on site. Builders risk is the policy built to pay to rebuild the work and replace the materials, on the terms of its wording. General liability does not respond, because no one else was harmed. The two policies answer different questions.

Illustration only. Not a real business, project or claim. Whether any claim is answered is decided by the wording of the policy actually issued.

4.1 What we do on the file

These are services, not coverages.

- ○ Set the policy term to the real schedule
- ○ Insure the completed value, not the contract price
- ○ Add soft costs when a lender asks for them
- ○ Name every party with a financial interest
- ○ Match the certificate to the owner's contract
- ○ Plan the handover to the permanent policy

Tell us the deadline, and we will tell you honestly if it can be met.

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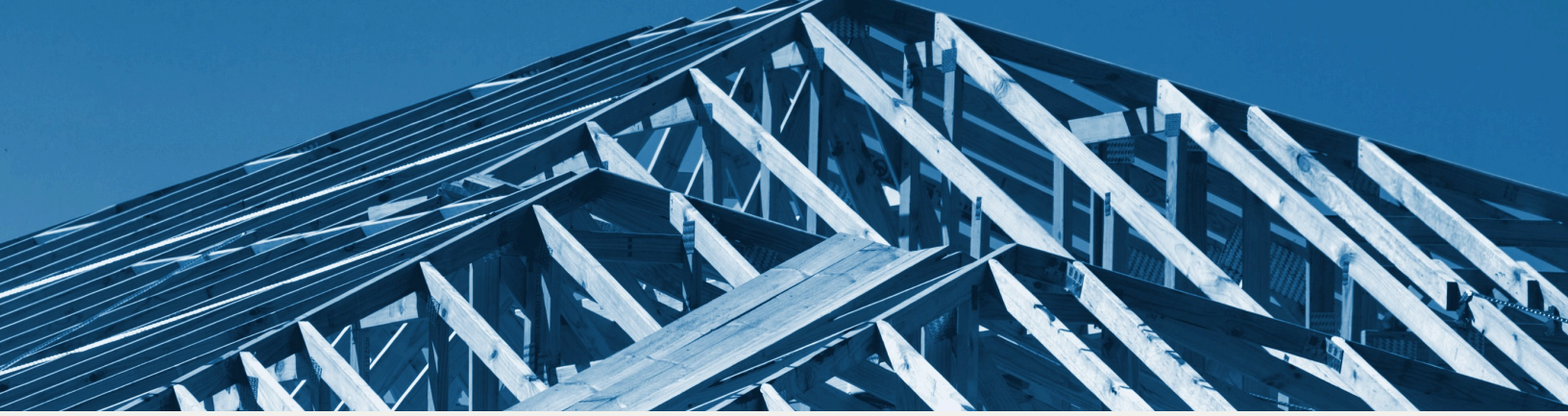

ROOF TRUSSES · PHOTOGRAPH BY TROY MORTIER, UNSPLASH LICENCE

05

WHO WE WORK WITH

One house or a subdivision, from groundbreaking to occupancy.

New builds, renovations and conversions, anywhere in British Columbia.

5.1 Projects we work on

Single family new builds	Subdivisions
Renovations and additions	Commercial projects
Conversions of existing buildings	Owner builders
Multi-unit and townhouse projects	General contractors

Sites outside the Lower Mainland, such as Kamloops, Prince George and Nanaimo, are covered by the same licence. Distance to the fire hall and the nearest hydrant is part of underwriting.

BUILDERS RISK, AT A GLANCE

Day one
CCDC 2 ASKS FOR COVER FROM THE DAY WORK STARTS

3 end points
COMPLETION, OCCUPANCY OR EXPIRY, WHICHEVER COMES FIRST

4 soft costs
LOAN INTEREST, PERMITS, CONSULTANT FEES, LOST RENT

Wood frame
RATED, NOT EXCLUDED

4 site conditions
START, STOPPAGE, SECURITY AND OCCUPANCY

All of BC
KAMLOOPS, PRINCE GEORGE, NANAIMO AND BEYOND

S&S Insurance Services Ltd. · serving the community for more than forty years · 20+ insurers · 40+ people · four branches · six languages



A HOUSE FRAMED IN · PHOTOGRAPH BY SAMUEL CRUZ, UNSPLASH LICENCE

06

WHERE WE START

Send us the project before the excavator arrives.

Four details start a project policy.

Tell us the deadline and we will tell you honestly if it can be met. Send the project details and the contract clause, and we will reply in writing with what the market needs and what it is likely to ask of the site. It is not a coverage opinion. The wording and the insurer's own decision govern any claim.

1

The project address, the type of work and the completed value.

2

The start date and a realistic completion date.

3

The contract's insurance clause, any lender rules, and who must be named.

Prefer to talk? Call or visit any branch below. Or scan the code, or start online at **sandsinsurance.ca/business-insurance/builders-risk/**. A licensed broker reads it and replies the way you choose.

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Surrey, BC V3S 7H2
604-319-1000

Richmond
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604-553-6616

You do not need to live near a branch. We are licensed to arrange insurance anywhere in British Columbia.

SOURCES READ FOR THIS BROCHURE

Province of British Columbia, CCDC 2 2020 contractor insured insurance terms, www2.gov.bc.ca, read November 2026.

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