



BIG "I" MARKETS

Thursday, August 7th 2008 @ 2:00 pm EST

LEXELITE® Builders Risk Program

AI Risk®

Connecting you to Quality, Strength and Service™



Who is AI RISK?

AI Risk Specialists Insurance Inc., a wholly-owned brokerage subsidiary of American International Group, Inc. (AIG), provides direct, local access to Lexington Insurance Company's full range of property, casualty, and specialty insurance products and services.

AI RISK



LEXINGTON

What is Big "I" Markets? *The independent agent's gateway to specialized insurance products and services with NO access fees and NO minimum production requirements.*



Why Excess & Surplus Lines?

When others say "NO" we say "YES"

Think of **BIG I MARKETS/AI RISK®** when your admitted carriers are unable or unwilling to accommodate an account. This can be due to coastal exposures; risks with poor credit history, non-renewed due to losses, unprotected risks, risks cancelled for nonpayment of premium. LexElite should be your go-to market.

We can write in all 50 states. However in NC, WA, and KY you will need to handle the surplus lines taxes and provide us with verification of licensing.



What do we see in the E&S Marketplace

- Mid-to-High Value Properties
- CAT and Coastal Exposures
- California Brush/Cal Quake
- Homes located in adverse flood zones
- High Profile Individuals (Celebrities/Sports Figures)
- Risks with claims
- Older, upgraded homes
- Log Homes
- **Builders Risk**
- Rentals and Short-term Vacation Rentals (HO-3/Condos)
- Unprotected Risks
- Homes titled in an LLC or Corporate Name
- Risks with credit problems
- Cancellation for non-pay/lapse in coverage



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BUILDERS' RISKS

- Ground up new construction
- Mid-term projects
- Multi-year projects
- Homes undergoing renovations

Special Concerns

- Mid-term and Multi-Year Projects
 - Losses tend to occur near the end of a project/finish work
- Unprotected Risks
 - May require CSF alarm upon enclosure of home
 - Confirm that fire extinguishers are visible and throughout project



Special Concerns

- General Contractor
 - Prefer to have an independent GC overseeing the building of the home
- Insured acting as General Contractor
 - Insured is not doing any of the work or construction
 - Insured has prior experience or is working with someone who has experience in building homes (architect firm)
 - Insured requires the sub-contractors to provide certificate of insurance



Terms

- HO-3 Form vs. Commercial Fire
- Require to insure at 100% completed replacement cost
- 100% Minimum Earned
 - Short term projects can be converted to a full Homeowner upon occupancy
- Multi-year projects
 - We can consider reducing the MEP dependant on the risk
- Require a fully completed Builders Risk Supplement with submission
- Contractor may not be listed as an additional insured



Optional Coverage

- **Liability**
 - Restricted to residence premise only
 - Endorsement excludes employment liability
 - Maximum Coverage \$500,000
- **Theft of Building Material**
 - Theft Peril, Replacement Cost
 - Materials delivered when needed and not stock piled/stored on the site
 - Secured Sites
 - No coverage for contractor/sub-contractor equipment
 - Site lighting and fencing are recommended
- **Builder's Risk Extended Coverages**
 - Endorsement Coverage provides stated value for soft costs, building materials stored offsite and building materials in transit
 - \$10,000/\$25,000/\$50,000/\$100,000 options Available



PACKAGE POLICIES

- Excess Flood
 - Excess Flood application required
 - Underlying NFIP dec page
 - Elevation Cert for Flood zones A/V post firm construction
- Personal Articles Floater
 - PAF application required
 - No blanket coverage provide
 - Need detail of items
 - Appraisals Required on jewelry items \$5k+/PAF \$10k+
- Umbrella
 - Umbrella application required w/hardcopy MVR's



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HOW TO 'WIN' THE ACCOUNT

- Customize Coverage
 - Must Insure to 100% R/C on Dwelling
 - Coverage B, C, D
 - Coverage B/Other Structures
 - Coverage C/Contents
 - Secondary locations
 - » 10% of Coverage Extended from primary
 - Coverage D/Loss of Use
 - Secondary locations
 - » May not need LOU if Secondary
- Higher Deductibles
- Application of limitation/Exclusions
 - Pool Limitation or Pool Exclusions
 - Animal Exclusion



Understanding your 'Options'

- **Personal Property R/C Coverage**
- **Special Property Coverage** (\$1 per \$1000 of Cov C)
 - All Risk vs. Named Peril
 - Personal Injury (\$50)
- **Water Backup**
 - \$5,000 (\$100)
 - \$10,000 (\$150)
 - \$25,000 (\$250)
- **Extended R/C**
 - 125%
 - 150% (CA only)
- **Increased Special Limits**
 - Option 1 \$250
 - Option 2 \$150 (Jewelry/Watches/Furs)
- **Ordinance of Law**
 - 10% included
 - 25% Optional (FL)
- **Family Security** (\$30)
 - Accident Insurance
 - \$15k identity Theft
- **Upgrade To Green Endorsement**
- **Personal Injury** (Primary/Non-Target Occupation \$50)



Our Service Commitment

"BEST SERVICE"

We are committed to providing you BEST SERVICE

- Courteous and Prompt Service
- We will confirm to you when Quote is received
- Expected turn around time/normally within 24 hours on qualifying accounts
- We will communicate any delay in releasing terms and expected date of release (Home office approval)



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How To Access

Log onto www.bigimarkets.com and select one of the following non-standard products from the personal lines product menu.

- AFFLUENT NON-STANDARD HOMEOWNER
- NON-STANDARD HOMEOWNER
- COASTAL HOMEOWNER
- VACANT DWELLING
- UNSUPPORTED SECONDARY HOMEOWNER
- SEASONAL HOMEOWNERS
- UNPROTECTED HOMEOWNER
- NON-STANDARD RENTAL DWELLINGS
- CORPORATE/LLC OWNED HOMEOWNER
- PERSONAL BUILDERS RISK
- NON-STANDARD CONDOMINIUM
- NON-STANDARD RENTERS

If you have any questions about how to access Big "I" Markets or how to submit a quote, call Michael Welch at 703-706-5364.