

# ISG

A Trusted Partner in Your Success



## ASSET PROTECTION PROGRAM ANNUAL PRACTICE POLICY

www.insurancespecialtygroup.com

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Your Success



### APP STANDARD PRACTICE CGL POLICY<sup>SM</sup>

The mission of the Insurance Specialty Construction Group is to respond to the needs of the residential and light commercial construction community with expertise, products, and services that deliver value to both the builders and buyers. Welcome to the value of the Asset Protection Program.

The program's foundation is built on builder best-practices and risk management, contracts to keep claims and complaints out of tort litigation, and is supported by a comprehensive liability insurance contract.

The APP Suite of products provides critical risk management for the contractor through the use of an approved insured or builder-backed warranty, as well as sales and subcontractor contract language, which helps mitigate construction defect claims and related litigation.

### POLICY SPECIFICS

- A.M. Best A rated (excellent), Admitted & Non-Admitted
- Up to \$2M / \$2M / \$2M Limits
- Defense Outside the limits on Admitted policies
- Defense Inside the limits on Non-Admitted policies (most)
- Annual Policy Term
- APP Project/Practice Thingy - Provides extended Completed Operations Coverage (for the Statute of Limitations) on an annual policy. Available as a wrap

Residential Appetite (Admitted & Non-Admitted): Single family and multi-family homes, including condominium construction, up to three stories (above a garage), 12 units per building, and \$10 million or less in value per foundation.

Commercial Appetite (Non-Admitted): Structures three stories or less, which are \$10 million or less in value per foundation.

### BENEFITS OF AN APPROVED INSURED WARRANTY

- Defines construction standards and obligations of the builder and the homeowner in the warranty contract and replaces implied warranty laws. This reduces claims costs by avoiding tort litigation.
- Mandatory and binding arbitration per the Federal Arbitration Act, allowing the homeowner and homebuilder to resolve disputes in a timely and efficient manner
- Where allowed by law, the use of an approved warranty provides:
  - Elimination of vague and unpredictable implied warranties being imposed upon the homebuilder
  - A limitation for construction defect liability exposure for the homebuilder as described in the terms and conditions of the warranty contract
- Builder is protected from financial exposure for qualified structural defects, as defined in the warranty, as this exposure is assumed by the warranty insurer (subject to the builder satisfying risk management requirements).

 *Now You're Covered.*

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