

INSURANCE SPECIALTY GROUP LLC

“PAY AS YOU SELL” OR “PAY AS OF CERTIFICATE OF OCCUPANCY” POLICIES

**SUMMARY OF IMPORTANT REPORTING REQUIREMENTS
FOR YOUR GENERAL LIABILITY POLICY**

The Commercial General Liability insurance policy purchased by you has specific reporting requirements imbedded in it as a condition of products-completed operations coverage. If homes/units built, owned or sold by you are not reported to the policy in accordance with the requirements, no coverage applies for “construction defect” type claims. Your signature below acknowledges that you are aware of these requirements and willing to comply with them. See form GL330232 of GL330233 in your policy for full reporting requirements. Below is a summary of these requirements.

Policies with form GL330232 – Pay As You Sell

1. All homes/units must be reported against the policy within 30 days following the date of sale (closing escrow)
2. You must do the following:
 - a. Report the date of Close of Escrow
 - b. Report the Lot/Block information of the unit, along with the legal address
 - c. You must pay 100% of the products-completed operations premium for each unit at the time of reporting using the rate specified in your policy Declarations page. This rate applies to the final sales price of the home/unit.

Policies with form GL330233 – Pay as of Certificate of Occupancy

1. All homes/units must be reported against the policy within 30 days following the date that the Certificate of Occupancy is received
2. You must do the following:
 - a. Report the date Certificate of Occupancy is received
 - b. Report the Lot/Block information of the unit, along with the legal address
 - c. You must pay 100% of the products-completed operations premium for each unit at the time of reporting using the rate specified in your policy Declarations page. The rate applies to the total & final construction costs for the home/unit.

As noted above, failure to report will result in a reduction or elimination of products-completed operations coverage provided by this policy. Insurance Specialty Group, nor the issuing insurance company of this policy, have any obligation to accept reports of homes/units that do not comply with the requirements outlined in the above mentioned policy forms.

If late reports are accepted, a late fee of \$250 per home will be applied. A No Known Loss Letter and/or property inspections may be required. Property Inspections will be done at the cost of the insured.

This letter must be signed and dated by an officer of the First Named Insured.

Printed Name & Title

Signature

Date