A. **Information:** CSU Insurance Carrier Chubb has issued new rates for Builder's Risk Insurance Premiums on all projects enrolled on or after October 1, 2016. Please note the following:

- The new rates are slightly lower than last year’s rates, partially due to the fact that there are added categories of projects with lower rates than the “All Other” category into which many projects would previously fall.
- Please pay special attention to the “Site work” rate. If campuses phased a project into site work and then vertical construction, the insurance premiums would be lower, saving some of project's money.
- There is a new rate for “100-year flood location” that adds to the rates. After research and concurrence with our broker and underwriter, none of our main Campuses fall into that category.
- Please contact CPDC-CM if you have any questions about the classifications

B. **Where to Find:**

2016/17 CSU BRIP Alliant **Summary of Coverage** – Attached

2016/17 **BRIP Enrollment & Construction Classifications** – Attached

Information can be found at the CPDC CM website on the CSU Builders Risk Insurance Program webpage below.

C. **Website:**  [http://www.calstate.edu/cpdc/CM/BRIP.shtml](http://www.calstate.edu/cpdc/CM/BRIP.shtml)

D. **Applicability:** California State University Systemwide

End of Bulletin
CSU Builder’s Risk Program

COVERAGE SUMMARY

NAMED COVER ENTITY:
The Trustees of the California State University (CSU)

COVERAGE DESCRIPTION:
“All Risk” Builder’s Risk Insurance*, including Property Damage, Property in Transit, Off-Site Storage, Expediting Expense, Flood (including tidal waves), Terrorism*, and Earthquake**

* Terrorism Risk Insurance Program Reauthorization Act of 2015
** CSU maintains a self-fund for losses in excess of the deductible caused by earthquakes as defined in CA Public Contracts Code, section 7105 (b) (2).

All owners, all contractors and subcontractors of every tier, tenants of the Insured Project, and any other individual or entity specified in such contract, are recognized as Additional Insured hereunder to the extent required by any contract or subcontract for the Insured Project, and then only as their respective interests may appear.

Chubb’s Master Builder’s Risk Form covering direct physical loss to Insured Project(s) while in the course of construction, reconstruction or renovation. Covers CSU construction projects whose:
1. Construction begins within the Policy Period,
2. Project Enrollment form is completed and approved by underwriting, and
3. Notice to Proceed is issued by the CSU to the General Contractor;
Until completion up to 42 months from start date of construction.

LIMIT:
$50,000,000 Per Occurrence

SUBLIMIT:
$25,000,000 Wood-Frame Construction
$1,000,000 Temporary Structures
$1,000,000 Property in Transit
$1,000,000 Property in Temporary Storage or Staging Areas
25% of Loss / Debris Removal
$1,000,000
Maximum
$250,000 Protection of Property
$250,000 Protection Service Charge
$25,000 Fire Protection Systems
$10,000 Valuable Papers & Records
$100,000 Installed Trees & Shrubs
$100,000 Expediting Expense
$50,000 Loss Data Preparation Costs
$10,000,000 / 365 days Loss of Rents (optional for additional premium)
$10,000,000 Flood (each Occurrence and Aggregate)
$1,000,000 Pollutant Clean-up (each Occurrence and Aggregate)
107.5% New Construction Escalation Clause

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.
CSU Builder’s Risk Program

COVERAGE SUMMARY

DEDUCTIBLE:
- $25,000 per Occurrence
- $100,000 per Occurrence - Flood
- $50,000 per Occurrence – Water Damage
- $100,000 per Occurrence - Earth Movement**
- 30 days Loss of Rents

EXCLUSIONS (INCLUDED BUT NOT LIMITED TO):
1. Earth Movement**
2. Pollution / Contamination
3. Electronic Data / Cyber Risk
4. Mold / Fungus
5. Nuclear, Biological, Chemical
   ** Excluded by carrier, self-funded by CSU

LOSS VALUATION:
1. Replacement Cost if replaced, otherwise
2. Actual Cash Value

COMMENTS / CONDITIONS:
1. Projects to be reported quarterly
2. Projects that are reported during the policy term are held covered for up to 42 months from project start date
3. Projects whose initial reported value is less than $5,000,000 are not required to be reported upon completion
4. Projects whose initial value is $5,000,000 or more shall report final contract values and term during the next quarterly reporting period following project completion

HOW TO REPORT A CLAIM:

CLAIMS REPORTING
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA  94111-5101

Bob Frey
415-403-1445
rfrey@alliant.com

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.
### CSU Builder's Risk Insurance Program (BRIP)

**SAMPLE Project Enrollment Form**

**Construction beginning October 1, 2016 to June 30, 2017**

<table>
<thead>
<tr>
<th>Campus:</th>
<th>Project Name:</th>
<th>Project Location:</th>
<th>Project Description:</th>
<th>General Contractor:</th>
<th>Funding Source: (select one)</th>
</tr>
</thead>
</table>

- 0 Donor
- 0 Lease Revenue Bond
- 0 Systemwide Revenue Bond
- 0 General Obligation Bond
- O Other (specify):  

#### PREMIUM RATE TABLE

<table>
<thead>
<tr>
<th>Construction Classifications</th>
<th>New Construction</th>
<th>Seismic Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood Frame Construction (over $10,000,000)</td>
<td>0.3000</td>
<td>0.4460</td>
</tr>
<tr>
<td>Wood Frame Construction ($10,000,000 and under)</td>
<td>0.2800</td>
<td>0.3640</td>
</tr>
<tr>
<td>Masonry Construction — Non-Combustible</td>
<td>0.0740</td>
<td></td>
</tr>
<tr>
<td>Joisted Masonry Construction</td>
<td>0.1600</td>
<td></td>
</tr>
<tr>
<td>Hybrid Construction</td>
<td>0.2200</td>
<td></td>
</tr>
<tr>
<td>Tilt-up Construction</td>
<td>0.0700</td>
<td></td>
</tr>
<tr>
<td>Non-Combustible Construction</td>
<td>0.0537</td>
<td></td>
</tr>
<tr>
<td>Fire Resistive Construction</td>
<td>0.0537</td>
<td></td>
</tr>
<tr>
<td>Site Work / Utilities</td>
<td>0.0370</td>
<td></td>
</tr>
<tr>
<td>All Other Types of Construction</td>
<td>0.0537</td>
<td></td>
</tr>
</tbody>
</table>

**DESCRIBE:** (fill in descriptive details for project only if rate for 'All Other Types of Construction' is selected directly above.)

#### PREMIUM CALCULATION

(Enter values in lines A through F. Remaining fields will automatically populate.)

- Start of Construction - estimated or per NTP (mm/dd/yyyy) | October 1, 2016
- Completion of Construction - estimated or per NTP (mm/dd/yyyy) | December 30, 2017
- Awarded Construction Contract Amount | $15,000,000
- Design Costs (ONLY for Design-Build, otherwise '0') | $750,000
- Construction Cost = (C - C1) | $14,250,000
- Delay in Construction Coverage (optional); indicate value to be insured for Loss of Rental Income -> | $0
- Applicable Rate (from Rate Table, based on D Construction Cost) | 0.0740
- Number of Coverage Days = (B - A) + 1 | 456
- Construction Coverage Premium = (D/100) x Rate x (G/365) | $6,587.00
- Delay in Construction Premium = (E/100) x Rate x (G/365) | 0.00
- Insurance Taxes/Fees = (H + I) x .032 | 210.78
- Builder's Risk Insurance Cost | $6,797.78
- CSU Construction Project Seismic Fund = (D/100 x .10) | 14,250.00
- TOTAL (Builder's Risk Insurance and Seismic Fund) = K + L | $21,047.78
- Budgeted Initial Premium Cost for Owner-Controlled Insurance Program = (D x .017) | $242,250.00

(Click on Classification below to review Construction Classification definitions. Select one rate for predominate component and insert in line F below.)

Option: Loss of Rents/Delay in Construction Coverage | 0.3700

(Ref by submitting Builders Risk Application to Alliant for review by carrier.)

#### Structural Renovation Projects that do not fit in any of the above construction classifications — REFER

- Non-Structural Renovations (Finish Work) | 0.0350
- Structural Renovations | REFER

(Refer by submitting Builder's Risk Application to Alliant for review by carrier.)

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**Link to Builders Risk Application:**

[http://www.calstatel.edu/cpdc/CM/Brip_Builders_Risk_Application.xls](http://www.calstatel.edu/cpdc/CM/Brip_Builders_Risk_Application.xls)
<table>
<thead>
<tr>
<th>Construction Classification</th>
<th>Construction Classification Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOOD FRAME CONSTRUCTION - Over $10M - New construction</td>
<td>Buildings where the walls are constructed of wood or other combustible materials, including when combustible materials are combined with other materials such as brick veneer, stone veneer, wood ironclad or stucco on wood. This includes projects of WOOD FRAME construction on top of concrete podiums or parking garages.</td>
<td>.3000</td>
</tr>
<tr>
<td>WOOD FRAME CONSTRUCTION - Over $10M - Seismic renovation</td>
<td>See above description.</td>
<td>.4460</td>
</tr>
<tr>
<td>WOOD FRAME CONSTRUCTION - $10M or less - New construction</td>
<td>See above description.</td>
<td>.2800</td>
</tr>
<tr>
<td>WOOD FRAME CONSTRUCTION - $10M or less - Seismic renovation</td>
<td>See above description.</td>
<td>.3640</td>
</tr>
<tr>
<td>MASONRY NON-COMBUSTIBLE CONSTRUCTION</td>
<td>Buildings where the walls are constructed of masonry materials of the type described in JOISTED MASONRY above, but with a floor and roof constructed of metal or other non-combustible materials.</td>
<td>.0740</td>
</tr>
<tr>
<td>JOISTED MASONRY CONSTRUCTION</td>
<td>Buildings where the walls are constructed of masonry materials such as clay, adobe, brick, gypsum block, cinder block, hollow concrete block, stone, tile, glass block or other similar material and where the floors and/or roof are combustible.</td>
<td>.1600</td>
</tr>
<tr>
<td>HYBRID CONSTRUCTION</td>
<td>Buildings where the walls, floors, and/or roof are constructed using WOOD FRAME construction with any combination of NON-COMBUSTIBLE, MASONRY NON-COMBUSTIBLE, or FIRE RESISTIVE construction. Hybrid Construction does not include WOOD FRAME construction on top of concrete podiums or parking garages.</td>
<td>.2200</td>
</tr>
<tr>
<td>TILT-UP CONSTRUCTION</td>
<td>Concrete elements (walls, columns, structural supports, etc.) are formed horizontally on a concrete slab; this normally requires the building floor as a building form but may be a temporary concrete casting surface near the building footprint. After the concrete has cured, the elements are “tilted” to the vertical position with a crane and braced into position until the remaining building structural components (roofs, intermediate floors and walls) are secured.</td>
<td>.0700</td>
</tr>
<tr>
<td>NON-COMBUSTIBLE CONSTRUCTION</td>
<td>Buildings where the walls, floors, and roof are constructed of and supported by metal, concrete, asbestos, gypsum or other non-combustible material.</td>
<td>.0537</td>
</tr>
<tr>
<td>FIRE RESISTIVE CONSTRUCTION</td>
<td>Buildings where the walls, floors, doors, and roof are constructed of fire resistive materials having a fire resistance rating of not less than two hours.</td>
<td>.0537</td>
</tr>
<tr>
<td>SITE WORK / UTILITIES</td>
<td>Any project, or major portion of a larger project, that involves, but is not limited to: “flat” work, tracks, parking lots, sidewalks, curb &amp; gutter, at grade or underground utilities. Light poles, or similar type structures, are included in this rate if not the predominate part of the project.</td>
<td>.0370</td>
</tr>
</tbody>
</table>

**RENOVATIONS**

**STRUCTURAL RENOVATIONS**

Any project involving any structural alterations, including but not limited to:
- the moving or removal of load-bearing walls or supports;
- the installation of new stairwells or elevator shafts within a building;
- the construction of additional stories on top of an existing structure;
- foundation work / underpinning;
- the restoration of buildings or structures damaged by fire, windstorm, collapse, or other work of a similar nature.

**NON-STRUCTURAL RENOVATIONS**

Generally interior finish work, including the upgrade of building systems, and not involving any of the work described in STRUCTURAL RENOVATIONS above.

*REFER - Submit a Builders Risk Application to Alliant, found at [http://www.calstate.edu/cxdc/CM/BRIP.shtml](http://www.calstate.edu/cxdc/CM/BRIP.shtml).*