

TACKLING THE

RISK

IN BUILDER'S RISK
INSURANCE WITH
CONSTRUCTION
CAMERAS



Construction cameras are a jobsite staple; providing teams with the visibility, security and documentation needed throughout a project.

From tracking scheduled changes, monitoring team productivity to deterring theft after-hours, cameras act as a tool to help reduce risk and

streamline progress. But there's another, often overlooked way to use a camera... tackling insurance requirements, premiums and claims.

Builder's Risk Insurance, also known as Course of Construction Insurance, is a type of property coverage specifically for buildings under construction. The policy acts as a safety blanket throughout the duration of a project, and typically covers what a G.C.'s business insurance terms don't.

Using a construction camera can help you better define your coverage terms, backup your claims and meet requirements for reasonable security.

All insurance policies vary greatly by region and provider, however, no matter your policy terms, this eBook will explore ways cameras can help lower your risks.

Table of Contents

- 04 The Truth About Project Value
- 06 What Builder's Risk Insurance Covers
- 10 Collecting Evidence for Coverage and Claims
- 14 Security Features
- 18 Choosing the Best Security Solution

Starting with a camera on site can make a significant difference at every step. Capturing all angles can help you make more informed choices regarding your projects and insurance policies. Throughout this eBook, we'll share examples and features you can use to tackle risk.

Cameras can impact the entire course of construction:

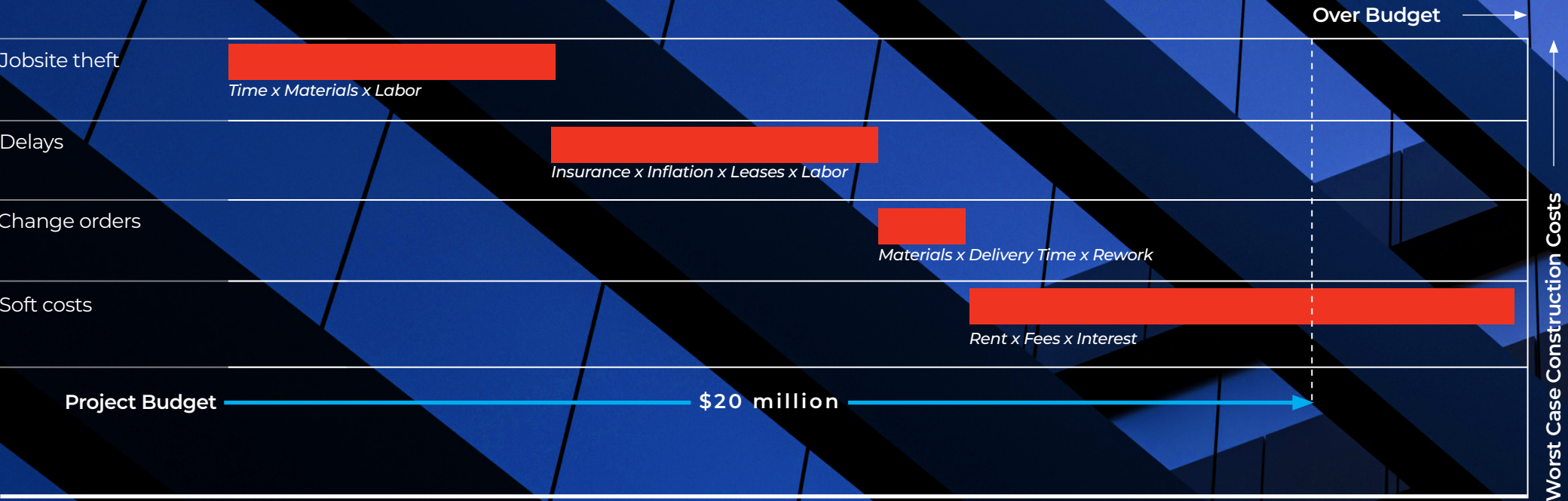


While it's ideal for a project to be on- or under-budget, insurance policies are all about factoring in risk.

Estimating True Project Value

Builder's Risk Insurance only applies to a structure as it's built, which means there's a lot of room for exclusions. By carefully understanding policy terms, you can still get coverage for the costs that add up when something goes wrong with a project. The first step is by understanding the true value of your project. When an insurance provider asks about your project's total value – the budget is just the baseline. Calculate your total value by including your actual costs, worst-case costs and profits. While it's ideal for a project to be on- or under-budget, insurance policies are all about factoring in

risk. For example, take a look at the graph below. Change orders, delays and jobsite theft are all major risk factors in terms of time and money. How often do these issues arise on your job site? When estimating your project value, make sure you are averaging in these “worst-case” scenarios alongside your total project budget to determine how much coverage you actually need. Calculated properly, your policy could cover “soft costs” which are the costs associated with paying extra rent or interest on a loan when a project doesn't line up to the original schedule.



Builder's Risk Insurance
can include coverage for:

Debris Removal



Backup or Overflow of
Sewer/Drains/Sumps



Pollutant Clean-up/Removal



Scaffolding and
Temporary Structures



Hard Costs
(Sticks and Bricks)



Soft Costs
(Project Delays)



Time Element
(Business Interruption)



Change Order Coverage



How can you identify worst-case costs when there are so many moving parts?

If you use a construction camera across your sites, you'll have the ability to aggregate data and identify the trends. For example, advanced cameras can track and graph activity, weather and safety. With this advanced and high-level project review, you can evaluate how often your teams run into challenges that are ripe for risks. Throughout your project's duration, **quickly evaluating changes** from a construction camera can help you gut-check if you need to further adjust your value along the way.

There are also many extensions (endorsements in insurance lingo) and amendments (floaters or riders) that you can use to protect your bottom line.

How can you tell what's necessary vs. nice-to-have?

Look beyond receipt and invoice history to understand which endorsements and riders are necessary for your projects. Advanced cameras monitor activity, document weather, and track equipment. Using this information, you can see how often certain extensions would come into play. For example, it may sound like a good idea to add coverage for equipment failure – but if you're leasing equipment that's on site for minimal time-periods, the optional rider may be more of an impact to your deductible than risk mitigation.

Construction Cameras
can capture:

Time/Damages for
Debris Removal



Sources of
Water Damage



Time/Damages for
Pollutant Cleanup



Weather Conditions
and History



Material Arrivals
and Use



Rippling Effects
of a Delay



Time Element



Impact of
Change Orders





CASE STUDY

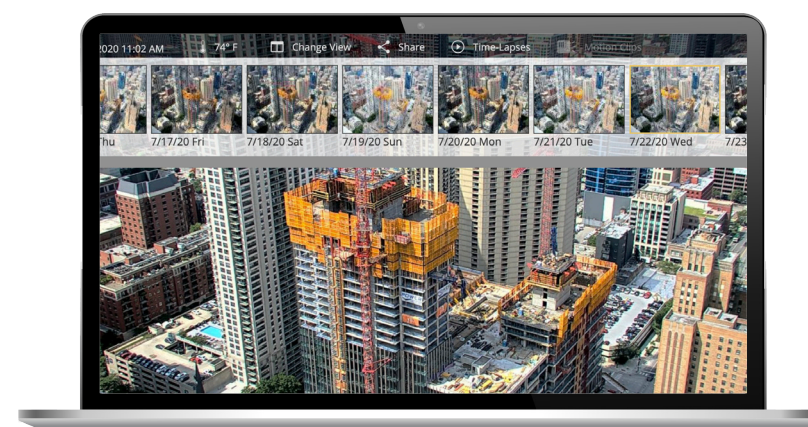
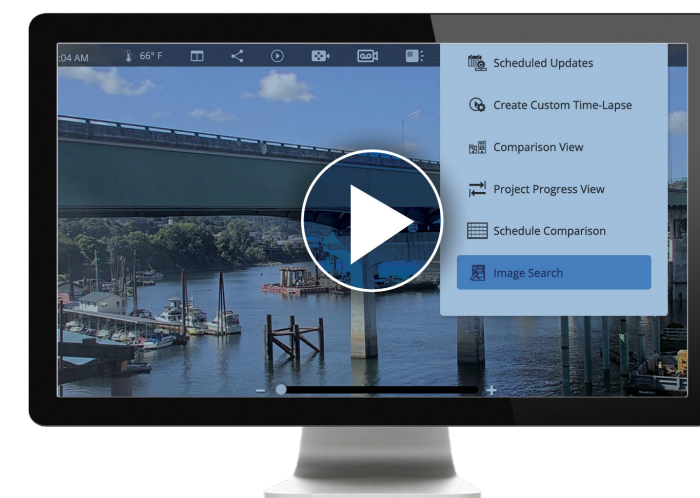
City of Modesto used OxBlue construction cameras to monitor contaminants found on a jobsite to ensure the pollution did not spread. This data could also be used to calculate any additional labor hours as a result of the pollution, provide evidence for pollution cleanup costs and soft costs associated with delays from the pollution.



Suffering from a loss can impact far more than what you think.

Make sure you're going beyond the obvious to look at the rippling effects on the project. Advanced construction cameras can help you do this through AI-enabled search that examines and sorts images based on your parameters. A camera's history can give you a more complete picture of what happened and what was impacted if you need to file a claim.

See Image Search in Action ▶



◀ Image History



Collecting Evidence for Coverage and Claims

Miscalculating the percentage of project completion can result in your claims payments being denied. Insurance providers often recommend dividing the amount invested in a project by the total

completed value. For simplicity, a project's value is estimated at \$100,000 but only \$25,000 has been invested so far, meaning the project is 25% complete.

\$25,000

Invested so far

\$100,000

Estimated Value

=

25%

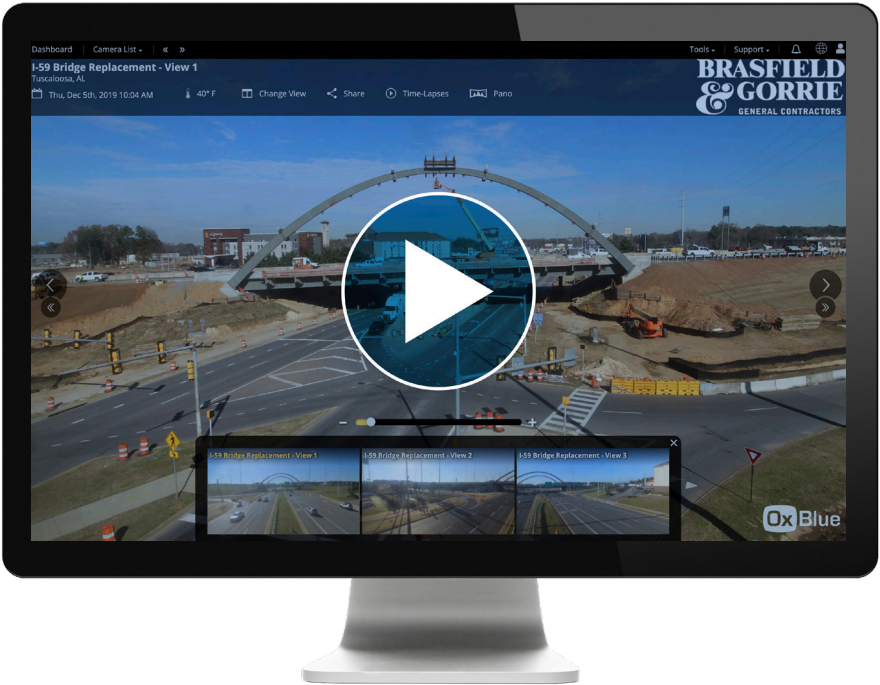
Complete

Contractors know that budgets aren't always the best way to see how far along you are in a project.

With a construction camera's documentation, you'll be able to share the truth about project progress and clearly display evidence needed to back up your claim. Weather exclusions and poor workmanship are some of the most common reasons why claims

can be denied. Since adjusters aren't ever-present on jobsites, it's easy to be misidentified as at-fault. With photographic and video evidence, you'll be able to show the real cause of liability in order to prevent paying out of pocket.

See Documentation in Action ▶



◀ Collecting Evidence in Action

BRASFIELD & GORRIE

GENERAL CONTRACTORS

CASE STUDY

Brasfield & Gorrie were working on an interchange project on behalf of the Alabama Department of Transportation. They used OxBlue cameras to capture 24/7 footage of the jobsite. Because of the project's public status and its highly-trafficked location, the cameras were used to ensure the team wouldn't be found liable for nearby accidents or damage to the site from other incidents.



Understanding “Reasonable Security”

BRI policies typically require you to maintain “reasonable security” and other preventive matters to reduce risk. If you don’t meet policy requirements, your coverage won’t apply and claims will be denied.

Your policy requirements will typically be based on:

- Project type
- Location and crime rate
- Distance from emergency services (police, fire)
- In-place security measures

What do insurance providers mean by “reasonable”?

While a generalized term, “reasonable” security actually includes specifics that you’ll want to carefully review. Some certifications are essential to meet the “reasonable” level of protection. Look for surveillance service providers that are

ranked as 5-Diamond and UL Certified or are members of The Monitoring Association. These accreditations mean that the service includes a level of rapid support and timely response when a threat is detected on site.



You’ll always be expected to provide a baseline level of risk mitigation from your provider.

However, with the right camera features, you may be eligible for a discount on your premiums for having a ‘reasonable security surveillance system.’

Basic Security Needs

- Lighting
- Signage
- Fencing
- Locked Gates
- Access Control





Defend the jobsite with rapid detection.

Monitor risk after-hours with video cameras that use motion detection to automatically alert you to any activity on site with time-stamped footage.

Features most commonly required for BRI policies:

- Real-time threat detection
- Back up battery
- IR Technology for low light conditions
- Alarms for deterrence
- Advanced false-alarm screening
- Strobe/lighting features

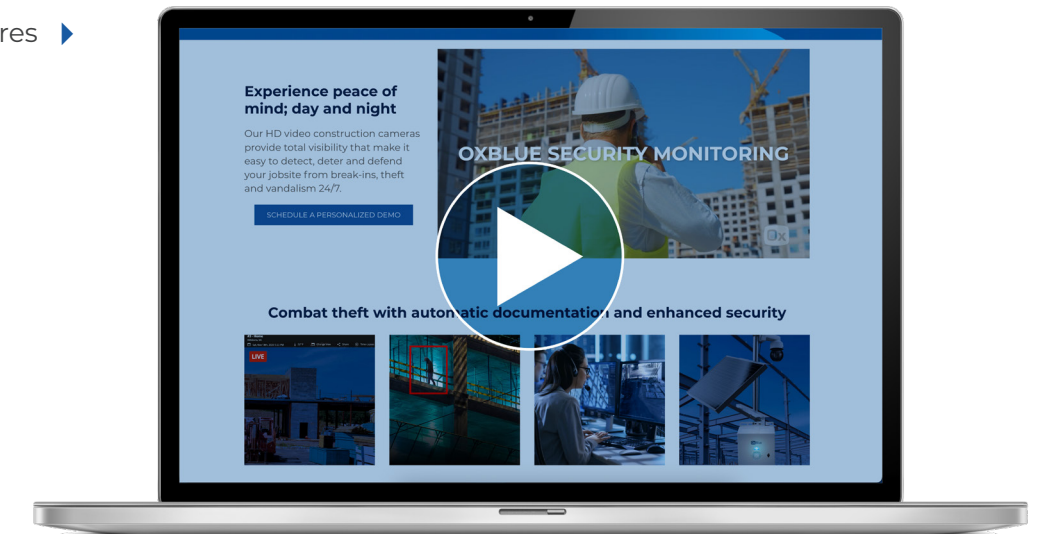
Make sure you're going beyond the obvious to look at the rippling effects on the project. Advanced construction cameras can help you do this through AI-enabled search that examines and sorts images based on your parameters. A camera's history can give you a more complete picture of what happened and what was impacted if you need to file a claim.



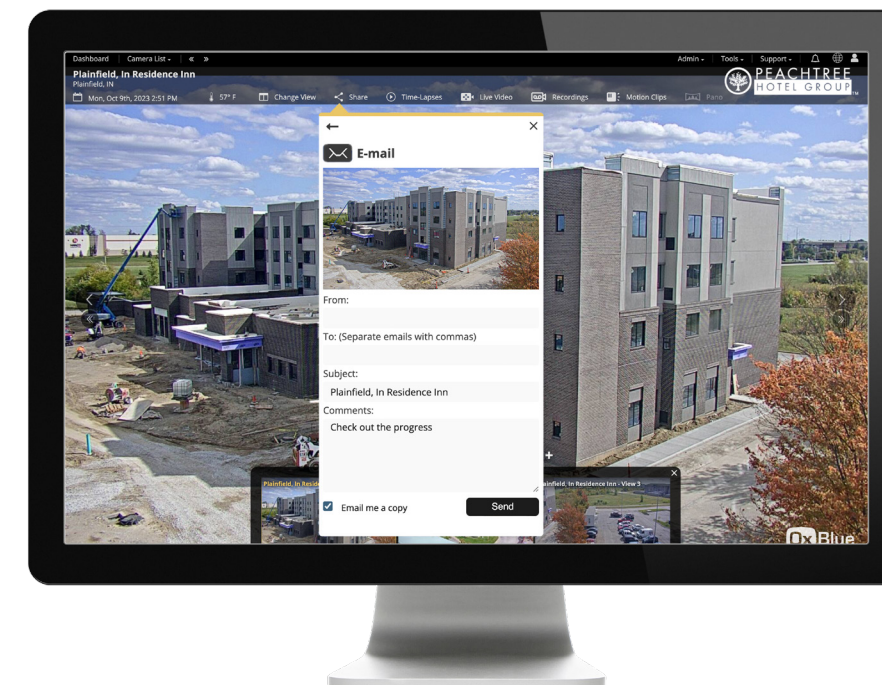
CASE STUDY

Peachtree Hotel Group used OxBlue's camera to qualify for a lower insurance premium. Later, the cameras identified an intruder on the jobsite. Alongside camera documentation, Peachtree Hotel Group was able to easily recoup from the theft and prove they weren't liable for lack of security measures.

See Security Features ▶



◀ Communicate with Stakeholders



Finding the Right Security Provider

When looking to meet your “reasonable security” requirements, make sure you ask the right questions. This checklist will help you determine who has the best system for your projects.

CAPABILITIES

- ✓ What are my options when it comes to securing the jobsite?
- ✓ Does the camera support 24/7 live streaming and recording?
- ✓ Does the camera include motion detection? How far can it detect motion at night?
- ✓ How will I know if there is a threat on my jobsite?
- ✓ Is it easy for me to adjust monitoring hours on my own?
- ✓ Can I select custom areas for monitoring (i.e., prevent the camera from monitoring public areas near the site)?
- ✓ Is the camera system tamper-proof?

CUSTOMER SUPPORT

- ✓ What type of customer service is offered?
- ✓ Where is customer support located and what are their hours?
- ✓ Will I have a dedicated account manager to assist me?

QUALIFICATIONS

- ✓ How qualified is the security monitoring service? What certifications or memberships do they have?
- ✓ What are the average alert review and emergency response times?
- ✓ What hardware and services are offered to support Builder’s Risk insurance requirements?

INSTALLATION

- ✓ Where should I place my cameras for the best coverage?
- ✓ Do I need my own lighting?
- ✓ What happens if there's no power? Are there backup batteries?
- ✓ Are there professional install services available?
- ✓ How long does it take to install and activate the system?
- ✓ Can I use solar power for my security camera?
- ✓ Is this a long-term contract for services?



How the OxBlue Solution Stacks Up

OxBlue construction cameras give you the visibility and capabilities needed to better monitor, manage, secure and document your projects. From qualifications to capabilities, we check all the boxes. When you choose us as a camera provider, you have the flexibility to customize your plan to best fit your projects.

We offer three levels of security:

DETECT

Self-manage after-hours risks with our standard security motion detection feature. When there's movement on site, you'll receive an instant email alert with a time-stamped video clip so you can review and act.



It's easy to know if there's a threat with our instant email alerts or professional monitoring. With our web app, you can instantly update your settings and monitoring hours from any device. Once online, you can view past videos, adjust team access, or set sleep timers.

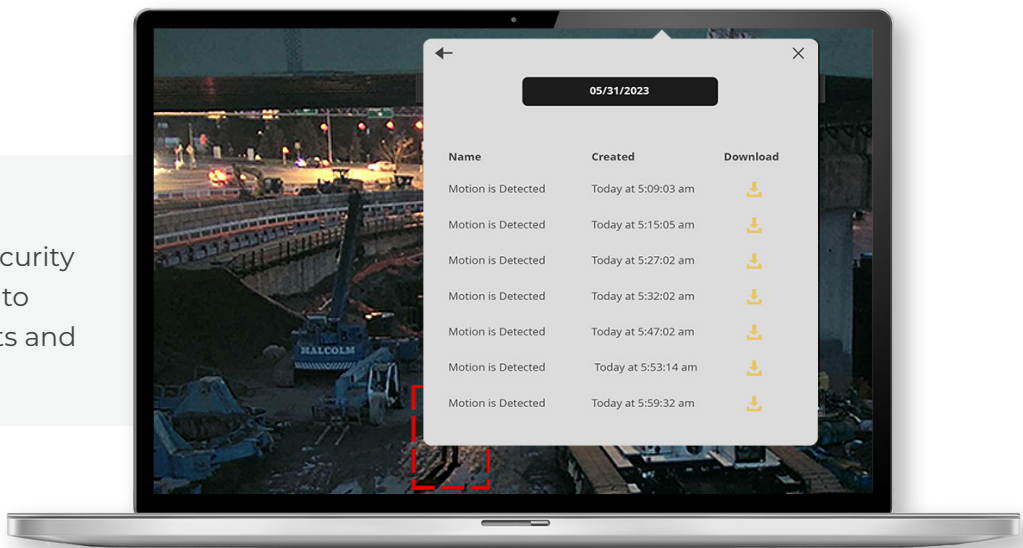


DETER

Includes all options above plus strobe lights, talk-down capabilities, tamper-proof switches, and on-board battery backups.

DEFEND

Use professional security monitoring agents to review motion alerts and dispatch police.



The Most Effortless Way to
Connect and Protect Your Projects

From security monitoring to activity tracking, OxBlue gives you the power to better understand project values, easily collect evidence for claims and secure the jobsite after-hours. Developers, general contractors and

other industry professionals all use OxBlue to stay on top of changing conditions and critical milestones. With more than 20 years of experience and innovation under our belt, we're the gold standard for jobsite visibility.

With OxBlue you can...



Document the Jobsite
From Start to Finish



Monitor Progress and
Track Productivity



Reduce Risk with a
Robust Security System

“The level of customer service really made the difference in our decision. Everyone loves the people at OxBlue.”

— Murphy Oil

“There was an issue involving thousands of dollars and using OxBlue, we were able to stop it from happening.”

— BJs Wholesale Club

“OxBlue’s technology has been extraordinarily easy-to-use. It’s easy to set up, easy to maintain, and the support is unbelievably good.”

— Nevada DOT

SECURE YOUR JOBSITE WITH CAMERAS

OxBlue, part of Hexagon, is a global provider of construction time-lapse, live streaming video and security camera systems. Since 2001, OxBlue has helped owners, developers and general contractors easily capture, understand and share jobsite progress. Providing high-definition cameras, artificial intelligence and an on-demand interface, OxBlue equips stakeholders with remote transparency into jobsite activity, safety, weather and other changing conditions. From buildings to infrastructure, 6,000+ clients trust OxBlue to monitor, secure and market their projects.

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 24,000 employees in 50 countries and net sales of approximately 5.5bn USD. Learn more at hexagon.com and follow us @HexagonAB.

