Green Building Fact Sheet
Fireman's Fund Insurance Company
September 2007

Advantages of Green Buildings

Green buildings cost less to operate and have an increased return on income.
Reduction in energy and water use equal higher Net Operating Income and Building Value.
Studies indicate reduced maintenance and operating costs for Green buildings.
Green buildings command higher rents and occupancy rates.
Data indicates that green building command 5% - 10% higher rents and enjoy higher occupancy rates.
Green buildings qualify for tax breaks and rebates from utilities.
There are a variety of tax incentives available for green buildings. Utilities are encouraging reduced power and water use.
Workers in Green buildings have reduced rates of absenteeism.
Healthier employees equal a healthier bottom line, lower health insurance costs and higher morale
Workers in Green buildings show increased productivity.
Studies indicate 5% to 15% increases in productivity following a move to a green building.
Green buildings are more attractive to tenants.
Retail sales 20% higher in green buildings
Students score 20% higher on math and reading tests in green buildings.
Green buildings are better risks.
Commissioning process addresses most common causes of loss in commercial buildings (electrical fires and plumbing leaks).
Green buildings are better for the environment.
Reduced energy use means less CO^2.
America has a potable water crisis on the horizon.
Recycling takes burden off of landfills
Green is a growing trend.
US Green Building Council intends to certify 100,000 buildings by 2010
Green Construction starts expected to exceed $12 Billion in 2007
Green buildings may soon make other buildings obsolete.

What is a Green Building?

Green Buildings are high performance buildings, featuring a combination of modern technology and time tested design principles.

They are energy and water efficient, using (on average) 30% less energy and 50% less water than "traditional" buildings.

Design and construction emphasizes:

- Energy efficient lighting technology
- Energy efficient equipment (computers, electronics)
- Daylighting
- "Right sized" HVAC
- Water efficient plumbing
- Gray water and rain water harvesting
- Green or cool roofs
- Commissioning (a quality control process for building systems)
- Healthy interior finishes (paint, carpeting, office furniture)
- Recycling
- Green Cleaning programs

They are certified by two organizations, United States Green Building Council through the LEED program; or Green Buildings Initiative through the Green Globes program.

Certified buildings can be new construction, existing buildings or even a tenant's operations.

Green buildings do not take more effort or time to build when green-experienced design and construction professionals are used and green is incorporated into the design process from the beginning.

The cost of building green has declined as green building materials have become widely available.

Washington DC and Boston now mandate new, private sector construction and major renovations projects to be green. Some cities, such as Chicago and San Francisco, now fast track the permitting process.

Fireman's Fund Green Building Coverages

September 2007

Fireman's Fund has pioneered insurance coverages for green buildings. Three products were launched in late 2006.

Certified Green Building Coverage

Designed for:
Certified Green Buildings
Features:
Real property coverage expanded to fully cover vegetated roofs (roofs with trees and plants), alternative water systems and alternative energy systems.
Business Income covers alternative energy and water system lost revenue and/or extra expense.
Post loss coverage helps keep the building green. Debris removal provides for recycling on damaged property. We will pay to hire a LEED certified professional to participate in repairs. Fresh air flush out coverage pays additional cost of post construction process to improve indoor air quality.
Pricing:
Rate Credit recognizes reduced risk.
Advantage for insured:
Initial attraction is the rate credit. Sales are closed on coverage that fully protects the owner's investment in the building.

Real and Personal Property Green Upgrade Coverage

Designed for:
Traditional (non-green) buildings.
Features:
Provides for post loss green upgrade for specific real property (roof, lighting, plumbing, small HVAC, ozone friendly cooling and extinguishing agents); personal property (electronics, office furniture) and interior finish (carpeting, paints and adhesives) items.
A building suffering a total loss will be rebuilt as a certified building.
Alternative energy and water system, debris removal and LEED professional coverage provided (as in Certified Building form).
Pricing:
Real property insurance to value increased to recognizing higher cost of green materials. Personal property charge ($75 per location).
Advantage for insured:
Upgrade of real and personal property using green materials.

Building Commissioning Coverage

Designed for:
All building owners and tenants responsible for building systems. Green and traditional buildings and operations.
Features:
Commissioning is a quality control process performed by a third party "commissioning agent" (a professional engineer) that ensures the building systems have been installed to manufactures and architects specifications and owners requirements. Commissioning is a prerequisite of certification, it results in more efficient and safer buildings.
Form provides coverage enabling the insured to hire a commissioning agent to oversee post loss repairs and replacement of certain systems (HVAC, electrical, plumbing. life safety and employee safety).
An additional coverage provision covers the cost of HVAC test and balance, even if the HVAC system was not involved in the loss. A test and balance is a tune up of the system and will improve operating efficiency.
Pricing:
Flat charge based on a pre-selected sublimit . A $100,000 sublimit costs $500 per location.
Advantage for insured:
Commissioning results in lower utility costs, reduces CO^2 footprint and creates a safer building.