



**Insurance Specialty Group (ISG)** is the underwriting manager for the ISG Real Estate Proactive Program™ which combines comprehensive Commercial General Liability Insurance with a new home ten year structural warranty and complete home inspections.

The ISG Real Estate Proactive Program is designed exclusively for Banks, Investors and Builders that have acquired distressed finished and unfinished new home or commercial real estate, and will ultimately place these assets into the stream of commerce. The program includes existing properties, as well as those where construction will be completed.

**1. MAXIMIZE**

- a. **Sales Value** enhanced by 5% to 15% (verified by independent sources)
- b. **Image, integrity and reputation**
- c. **Homebuyer's confidence** as proven over the last 25 years by builders providing insured structural ten year warranties

**2. MINIMIZE**

- a. Impact of being amalgamated into the **legal liability** role of a builder and/or developer (we have the case law that supports)
- b. **Carrying cost** of Real Estate
- c. **Time to sell** real estate
- d. Cost of commercial general liability **insurance** coverage
- e. Impact of "**As Is**" **sales contracts not being effective**: proven by recent state Supreme Court Cases regarding lenders (Kirkman v Parex: 2006)
- f. **Construction defect legal liabilities** associated with placing real estate into the stream of commerce by:
  - i. containing these liabilities in a **written express warranty** versus being exposed to dangerous **implied warranty laws** which are present in every state, and subject to interpretation by courts
  - ii. Placing an insured ten year **structural** warranty on each home
  - iii. **Federal Arbitration Act** to resolve homeowner disputes
  - iv. Comprehensive **inspections** of each home
  - v. Homeowner complaints and claims resolved via a 24/7 call center
- g. Embarrassing press (local newspapers) about the poor condition of sold REO
- h. Being a **target of the plaintiff attorneys** due to the presence of Binding Arbitration to resolve disputes with homeowners

**3. PROTECT**

- a. Mission Statements
- b. **Image and reputation**
- c. **Balance Sheet** and Income Statement against costly and time consuming construction defect claims and related litigation
- d. The **Officers** and Board of **Directors** (personally) from exclusions in Directors and Officers Insurance policies which require the entity to purchase comprehensive insurance protection.

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