



GENERAL CONTRACTORS PROGRAM

DESCRIPTION OF PROGRAM

General Liability program for small to medium general contractors in California. This includes Residential Home Builders with less than \$8,000,000 in annual receipts and less than \$1,000,000 for any given project, Residential-Commercial General Contractors involved in remodeling and tenants improvements and Commercial Builders. (Some risks may be eligible with receipts that are higher than \$8,000,000. Please refer to company.)

Risk exposures, coverage or other eligibility or coverage conditions not specifically addressed as granted by Company in the Guidelines must have prior approval. This document incorporates changes from the last publication of the Guidelines and supersedes all other authority-related documents and other sources of authority previously provided for the Program.

APPROVED CLASSES OF BUSINESS

The program is limited to Acceptable Operations that satisfy **all** of the criteria applicable to the following ISO classifications:

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
<p>Carpentry Construction of residential property not exceeding three stories in height. (Residential Home Builder)</p>	<p>91340</p>	<p>Construction of residential property not exceeding three stories in height.</p> <p>Work must be performed by employees of the General Contractor and only include:</p> <ul style="list-style-type: none"> • Interior and exterior work • Cabinet installation • Door installation • Garage door installation • Wood siding installation & trim or finish work. • Installation of plywood flooring – for hardwood floor installation. • Window installation other than glass replacement. • Wood decks and porches. 	<ul style="list-style-type: none"> • Residential work over three stories. • Framing work/contractors. • Excavation work. • Door or window manufacturing. • Specialty contractors including roofing and wall boarding. • Work on commercial properties. • Refinishing of floors or furniture. • Dock construction. • Hurricane shutter installation. • Cabinet manufacturing. • Work involved with children’s playground equipment. • Framing, trusses and plywood installation for roofing and paper and shingles. • Roof decking. 	<p>Class B License</p>

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Carpentry NOC (Large Residential & Commercial)	91342	This classification is applicable to all carpentry work performed by a general contractor or carpentry contractor in connection with construction or repair work on commercial buildings or residential buildings exceeding three stories in height. This will include all carpentry work.	<ul style="list-style-type: none"> • Any work involving buildings over five stories • in height. • Framing work/contractors. • Excavation work. • Door or window manufacturing. • Specialty contractors including roofing and wall boarding. • Refinishing of floors or furniture. • Dock construction. • Hurricane shutter installation. • Cabinet manufacturing. • Work involved with children's playground equipment. • Roof decking. 	Class License B

SUBCONTRACTING CLASSES

- These classifications apply to that portion of the operations performed by adequately insured.
- **All Insureds in this program must require additional insured endorsement from all subcontractors.**
- Operations performed by subcontractors without adequate insurance shall be classified and rated under the specific classification description for each operation.

Description	Class Code	Acceptable Operations	Unacceptable Operations
Contractors - subcontracted work - in connection with construction, reconstruction, erection or repair - not buildings.	91581	<p>Work that is performed by adequately insured subcontractors.</p> <p>Subcontracting work that is not in relation to any buildings or one or two family dwellings.</p>	Anything that is listed as Unacceptable in the above classifications or noted under the Ineligible Risks Section below.

Description	Class Code	Acceptable Operations	Unacceptable Operations
Contractors - subcontracted work - in connection with building construction, reconstruction, repair or erection - apartment or office buildings over four stories.	91582	Work that is performed by adequately insured subcontractors. Subcontracting work in relation to any buildings over four stories.	Anything that is listed as Unacceptable in the above classifications or noted under the Ineligible Risks Section below.
Contractors - subcontracted work - in connection with building construction, reconstruction, repair or erection - one or two family dwellings.	91583	Work that is performed by adequately insured subcontractors. Subcontracting work in relation to one or two family dwellings.	Anything that is listed as Unacceptable in the above classifications or noted under the Ineligible Risks Section below.
Contractors - subcontracted work - in connection with building construction, reconstruction, repair or erection - buildings.	91585	Work that is performed by adequately insured subcontractors. Subcontracting work in relation to buildings that are not one or two family dwellings or over four stories.	Anything that is listed as Unacceptable in the above classifications or noted under the Ineligible Risks Section below.

APPROVED COVERAGES

General Liability only.

FORMS

Forms authorized for use in the program are specified in the listing attached to these guidelines. That listing is hereby included by reference. The listing includes Company and Program Proprietary Forms. ISO forms will be used when there is not an applicable Company or Proprietary form. The most recent edition of any form that is approved in California on the effective date of the policy is to be used when creating a policy.

MAXIMUM POLICY PERIOD

12 months.

APPROVED TERRITORIES

California only.

Business operations in that state are subject to state approved filings and individual state licensing requirements.

MAXIMUM COVERAGE LIMITS

\$2,000,000 general aggregate
\$1,000,000 products aggregate
\$1,000,000 per occurrence
\$100,000 fire damage legal liability
\$5,000 medical payment expense

DEDUCTIBLES

A minimum \$1,000 Property Damage per claim deductible applies to all policies. The Company's obligation to pay damage on behalf of the Insured or to defend the Insured applies only to the amount of damages in excess of the deductible amounts stated in the policy, not to exceed the limits of insurance applicable to each occurrence.

ELIGIBLE RISKS:

- Residential Home Builders with less than \$8,000,000 in annual receipts and less than \$1,000,000 for any given project. (Refer to company if annual receipts exceed \$8,000,000.)
- Residential-Commercial General Contractors involved in remodeling and tenants improvements.
- Commercial Builders.

INELIGIBLE RISKS:

- Contractors who work on condominiums, townhouses, apartments or tracts over 5 units except for repair or remodeling of not more than one unit within a development.
- Contractors who work on student housing, senior housing, assisted living facilities or retirement homes except for repair or remodeling of not more than one unit within a development.
Custom home builders who build more than 5 homes in any one year.
- Contractors engaged in any structural work including grading and excavation on slopes of greater than 30 degrees. Retaining wall may not exceed 6 feet in height.
- Contractors with more than 2 claims in 3 years.
- Contractors with more than one closed construction defect claim.
- Contractors with any one claim with payments or reserves in excess of \$10,000.
- Contractors with any open construction defect claims.
- General contractors or developers performing new home construction or residential remodeling if they are new ventures.
- General contractors or developers performing new home construction or residential remodeling if they have not had general liability coverage for at least the past 12 months.

- Risks that sell, install, service or repair alarm systems, automatic fire extinguishing systems, boilers, elevators, escalators, surveillance systems or TV monitoring systems, either commercial or residential.
- Risks that sell, install service or repair wood, coal or waste oil burning stoves.
- Contractors that remove asbestos insulation or asbestos containing material, fungus, mold or install insulation materials other than fiberglass or rock wool.
- Contractors involved in the sale of chemicals, or the application of chemicals, such as herbicides or pesticides, to property.
- Contractors that perform work for petroleum, industrial, or chemical facilities.
- Contractors with operations/work on or for airport, elevator, environmental remediation, railroad, roofing, swimming pool construction, traffic lights, underground tanks, skylights, EFIS.
- Risks involved in fiber optic cable work or installation.
- Contractors involved in tunneling.
- Contractors involved in any exterior work over five (5) stories in height.
- Applicants who have been personally bankrupt or the principal in a company that has been bankrupt the past five years.
- Contractors involved in recreational or playground construction.
- Risks where any officer, owner, or partner has a prior felony conviction.

ADDITIONAL UNDERWRITING REQUIREMENTS

- A current copy of the Contractors State License Board Licensing Report is required. It must be confirmed that it is in good standing.
- Up to 3 years currently valued loss runs for the past three years are required with every application. Refer to company if they are unable to be obtained.
- A signed application including all warranties must be received prior to the binding of any insured every year.
- All insureds in this program must require additional insured endorsement from all subcontractors. Risks with OCP costs greater than \$100,000 must have a subcontractor's agreement that includes an acceptable indemnity clause.
- Hired and Non-owned Auto Liability is not available in this program.

RATES

Base Rating:

The most recent edition of any Rate or Rule that is approved in California on the effective date of the policy is to be used when creating a policy. Apply 100% payroll for all full-time, leased, temporary and part-time workers subject to the ISO minimum payroll for each owner, partner and/or officer payroll.

Rating Adjustments:

The Company Tiered Pricing Rule SUA2.1/SUA2.2 applies to this program. Due to the inherent exposures of general contractors, they will not be eligible for the superior tier. ISO Experience Rating does not apply.

The following gross minimum policy premiums apply:

If a policy is cancelled for any reason, the total retained by the Company shall not

be less than 25% of the advanced premium, or \$500, whichever is less.

Each Occurrence	General Aggregate	Prod/Completed Ops Aggregate	Minimum Premium
500,000	1,000,000	500,000	2,500
1,000,000	1,000,000	1,000,000	2,750
1,000,000	2,000,000	1,000,000	3,000

OPTIONAL COVERAGE PRICING

Additional Insured:

- Additional Insured status must only be used where needed and appropriate. This status can only be provided by an Additional Insured endorsement. The insurable interest for specific Additional Insureds must be identified in the file documentation and coverage limited to the specific exposure. No certificates to cover Additional Insureds are to be issued or accepted by the Agent.
- Each Additional Insured endorsement that is issued will be charged a flat rate of \$100. If policy is cancelled for any reason this flat charge premium is not refundable to the insured. This premium is in addition to a policy minimum premium.

Per Project Aggregate:

- A Designated Project Aggregate may only be granted with prior Company Approval. This status can only be provided by a Designated Project endorsement.
- There will be a charge equal to 15% of the policy written premium (after all premium calculations) for each Designated Project endorsement attached to a policy.

TRIA:

- TRIA coverage for war and terrorism will be provided to all insureds in the program with no additional charge. This must be indicated on each quotation provided.
- Non-TRIA war and terrorism coverage is not provided in the program.
- The ISO forms CG 2171 – Limited Terrorism Exclusion (Other than Certified Acts of Terrorism); Cap on Losses From Certified Acts of Terrorism and CG 2176 – Exclusion of Punitive Damages Related to a Certified Act of Terrorism Endorsement are to be attached to each policy.

CERTIFICATE OF INSURANCE

Certificates may be issued by the Agent on ACORD certificate forms only.

Certificates are not valid if the ACORD form is altered in any way, including but not limited to:

- Crossing out words.
- Adding Additional Insured or other manuscript type wording.
- Utility Companies or other entities requiring completion of their own certificates/endorsements must be referred to the Company for approval prior to

issuing.

PAYMENT AND BILLING OPTIONS

Installments are available with:

25% + fees due on binding of coverage, 25% due at 60 days into the policy period, 25% due at 120 days and 25% due at 180 days. There is a \$20.00 charge for each installment.

25% due on binding of coverage, with 15% due at 60 days into the policy period, 15% due at 120 days, 15% due at 180, and 15% due at 240 and 300 days. There is a \$20.00 charged for each installment. This option is only available to Insureds with premium of \$5,000 or more.

RISK INSPECTIONS/LOSS CONTROL

Certain risks may require inspections as determined by the Company. Inspections are generally completed with 30-60 days of the effective date of coverage. Outstanding recommendations or adverse conditions must be completed and documented within the time allotted by the Company or the policy may be subject to cancellation or non-renewal.

PREMIUM AUDITS

The annual premium is an estimated premium and may be subject to audit at the conclusion of each policy period. A self-audit may be used at the Company's option. Some policies may require quarterly or semi-annual audits. In the event the insured does not complete the self-audit and return to the Company within 60 days, the company will increase the annual estimated exposure 25%.

The Company may elect to do a physical audit of the Insured's records. The Company pays this expense.

POLICY FEES

All policy fees are fully earned and must be remitted by sub-producer with the deposit payment. They are in addition to minimum premiums.

Policy Fee: \$100 (\$2.50 of this amount is paid to company for state taxes on policy fees.)

Inspection Fee: \$50

The following fees also apply if installment billing is provided.

Per Installment Fee: \$20

Reinstatement Fee: \$50