

1. General Information

The Tradesmen+ Program is designed for contractors engaged in building construction, maintenance, or repair; contractors with a special trade; and service contractors who provide a service but do not build or construct.

Contractors may sub-contract up to 40% of their gross annual receipts. The program is NOT intended for “paper” general contractors.

A valid contractor’s license is required for those trades where a license is available. Licensed Handyman Repair provided jobs do not exceed \$500.00 each. An exclusion for jobs exceeding this threshold will apply.

Contractors who also hold a license for a trade that is ineligible for the program cannot be considered due to the exposure of past, present or future work performed under that license. We can reconsider if the insured can provide a statement that they have performed no work under that license for the past 10 years and de-activates it with the Contractors License Board.

2. Eligibility

Applicants who meet the eligibility requirements of our preferred auto program and are on the Eligible Classification List, are welcome from authorized AmCom business partners:

- Applicants whose business is one of the classes listed in the “Eligible Classes” section of this manual.
- New business ventures if the owners have less than three years experience operating a business will be debit rated accordingly.
- Applicants who sub-contract no more than 40% of their annual receipts.
- We will consider General & Specialty Contractors who engage in remodeling work including room additions.
- We will consider Contractors who build no more than fifteen (15) Custom Homes per year if they do not subcontract more than 40% of their gross receipts (roofing work must be sub-contracted to a licensed and insured subcontractor). The custom home must be built for specific owners under contract. “Spec” or “Owner/Builder” homes are NOT eligible.
- ***WE REQUIRE THE COMMERCIAL AUTOMOBILE COVERAGE FOR ANY ELIGIBLE APPLICANT. WE DO NOT OFFER THE GENERAL LIABILITY COVERAGE AS A STAND ALONE COVERAGE.***

The following risks do not qualify:

- ❖ General (B1/Paper) Contractors who sub-contract more than 40% of the work
- ❖ Developers
- ❖ Roofers of any kind
- ❖ Architects and Engineers
- ❖ Applicants involved in the new construction of condominiums, tract homes, apartments or town-homes.
- ❖ Applicants who perform work for Condominium or Homeowners Associations (work for individual unit owner is acceptable).
- ❖ Applicants involved in heavy, industrial construction, including airport, bridge, and highway projects.
- ❖ Applicants who perform or sublet any demolition or blasting operations (interior demolition in connection with remodeling acceptable).
- ❖ Applicants whose operations involve bulk storage, handling or distribution of fuel oil, gas or petrochemicals.
- ❖ Applicants whose operations involve any hazardous material, substance or waste, including storage tanks and containers.
- ❖ Applicants whose work involves exposure to pollutants such as asbestos, lead, and chemicals.
- ❖ Applicants with current or past exposures to subsidence.
- ❖ Contractors who Build or Grade slopes or hillsides with a grade of 6% or more and/or on landfills.
- ❖ Applicants who have filed bankruptcy in the past five years or have a weak financial status.
- ❖ Applicants with a 3-year loss ratio of 65% or more.

Continued

3. Ineligible Risks (applicable to past, present or future Operations. "Past" means within the past 10 years.)

- ❖ Any Maritime operations
- ❖ Waterproofing operation
- ❖ Construction Management for a Fee
- ❖ Painting of Storage Tanks
- ❖ Sign Erection/Repair/Service Above 3 Floors
- ❖ Rental and/or Leasing Equipment to Others
- ❖ Foundation/Footings concrete contractors
- ❖ Public Street/Road/Highway contractors
- ❖ Fire or Security Alarm Install and/or Monitoring, - except pre-wiring
- ❖ Excavation below eight (8) feet
- ❖ Work above 3 stories (except interior work)
- ❖ Scaffolding over two (3) stories
- ❖ Framing Sub-Contractors
- ❖ Underground (below 8 feet)
- ❖ Work at or related to Airports or Hospital Surgical facilities
- ❖ Gas Stations, Oil Refineries or Railroads
- ❖ Exterior Insulation Finishing Systems (EIFS)
- ❖ Sandblasting Work
- ❖ Window Washing (above 3 floors)
- ❖ Earthquake Retrofit Work (incidental strapping of water heaters acceptable)
- ❖ Installation or set up of Mobile or Pre-Manufactured Homes

4. Coverage

The following coverage and limits choices are available.

<u>Coverage</u>	<u>Limits of Liability</u>	
	<u>Each Occ.</u>	<u>Aggregate</u>
Commercial CGL,	500,000	1,000,000;
Personal &	1,000,000	1,000,000; or
Advertising Injury, &	1,000,000	2,000,000
Products/Completed		
<u>Operations</u>		
Fire Legal Liability	100,000	100,000
Medical Payments	5,000	N/A

5. Forms

ISO Commercial General Liability, Occurrence, CG 00 01 (12/04) and ISO and Company Endorsements are applicable.

6. Territory

State of California, follows ISO Territory Definitions.

7. Deductible

Standard to all operations is \$500, Per Claim, Bodily Injury and Property, with options for '0' to \$5000.

8. Policy Term

Maximum of one year (12 Months) policy term

9. Application

Signed ACORD 125 & ACORD 126 & the following:

- AmCom Contractors Questionnaire
- History Minimum of 3 Prior years, preferably for the Past 5 Years;
- Financial Latest Full Annual and Year To Date , Income/Expense & Balance Sheets
- Reference 3 Completed Work References
- CA License CC of CA License(s)
- Payroll Substantiation of Payroll Records

10. Payroll Definition

Each Owner/Officer/Proprietor/Partner, Payroll to be rated is \$33,600.

Field Employees, payroll rated at actual paid value.

Leased Employees, payroll rated at what would have been paid if the leased workers had been direct workers.

Clerical Office Employees, payroll is excluded.

11. Auditable Premium

Liability premium and exposures are estimated and subject to a final and possibly a mid-term audit of the records of the insured. At the Company's option, a self-audit may be used to determine the final premium.

When the Company decides to do a physical audit of the records of the insured, the insured is not responsible for the expense of the audit.

12. Program Fees

All fees are fully earned and non-refundable.

Inspection Fee - \$350

Covers cost of phone and/or site inspection services as well as any financial services needed to analyze the risk such as credit reports, and any audit of records.

Reinstatement Fee - \$100

Covers costs of re-writing/reinstating coverage that has been disrupted by a cancellation process.

Billing Fee - \$15 Per Bill

Covers the cost of inputting premium items other than annual premiums (installments/monthly reports etc).

13. Sub-Contract Work

If the insured uses sub-contractors, a premium will be earned and charged on the total cost of the sub-contracted work. The cost of the sub-contracted work includes both labor and material costs.

All sub-contractors must furnish the insured with an endorsement and certificate indicating the insured is a Named Additional Insured on the sub-contractors liability insurance policy. Sub-contractors must have at least \$1,000,000 CSL Limits of Liability.

14. Certificates of Insurance

Certificates may be issued by the Producer on ACORD certificate forms only

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

- ◆ Crossing out words.
- ◆ Adding wording such as Additional Insured or Waiver of Subrogation, without reference to the correct form number.
- ◆ Additional Insured, Waiver of Subrogation and Primary wording requires prior written approval.
- ◆ Utility Companies or other entities requiring completion of their own certificates/endorsements are to be cleared and issued by AmCom.
- ◆ Certificates requiring any alteration to the ACORD certificate form require submission for consideration by an AmCom underwriter. See AI Request Form. Certificates must be filed with Amcom within one week of issue. AmCom will enter all certificates in data base and notify all holders of any cancellation.

15. Additional Insured Endorsements

Additional Insured Endorsements are available for the charge shown below. All Additional Insured requests require a submission for approval to issue.

See AI Request Form

We require a description of the project, the work being performed by our insured, and the cost of the total project versus the insured's job cost portion.

Homebuilders, Developers and Homeowner Associations are not eligible for Additional Insured coverage except where required for our contractor to gain access to do work for an individual unit owner.

Scheduled Additional Insured Endorsement Rates

CG 20-10 & CG 20 37

\$100 Each, or

1% of the unmodified liability premium for Blanket, subject to a Minimum Charge of \$500 for Blanket.

The 07/04 Date of the CG 20 10 will be utilized for any significant Products & Completed Operations exposures.

16. Payment and Billing Option

Producer Full Payment Option

Remit the full estimated annual premium plus fees net of producer commission.

Premium Finance

Producer collects a Deposit sufficient to cover fees and commission and Finance Company Deposit requirements. Producer remits fees and deposit net of commission to AmCom and Finance Company remits net annual premium direct to AmCom.

17. Cancellations

Pro Rata Cancellation

Policy is cancelled pro rata and return premium is rounded to the next whole dollar when cancelled:

At Company's request

Cancelled and rewritten in the same Company

Non-Payment of Premium

Inured no longer has an insurable interest in the business operation

Short Rate Cancellation

When the policy is cancelled for any reason other than the preceding, a short rate factor will be applied.

Fees are fully earned regardless of the cancellation method.

Reinstatement With Lapse

To avoid a coverage lapse, all issues that initiated the cancellation process must be cured prior to the effective date of the cancellation.

18. No Binding Authority is Extended

Complete application information must be submitted to AmCom for written confirmation of binding:

- The Producer may fax, mail, or Email, the information required to consider binding coverage:
- Complete/signed applications
- Complete Project list
- Reference from Completed Jobs
- 3-year currently valued (within the past 90 days) loss runs or if loss runs are not available, a letter on the insured's letterhead stating 3-year loss history, signed by the insured, may be acceptable. (Note-Company loss runs and three years of prior premiums are required for Experience Rating)
- Substantiation of employee payroll
- Copy of the Contractors license
- Written request to bind coverage, stating effective Date and Payment Choice
- Evidence of the deposit payment made by applicant. if outside financed, the name and address of the Premium Finance Company.