

SUA Underwriting Guidelines
ARTISAN CONTRACTORS PROGRAM
American Team Managers
Date: 11/02/05 a

This document specifies the Underwriting Guidelines ("Guidelines") and underwriting authority delegated to American Team Managers, Inc. ("ATM") as the Program Agent for the Artisan Contractors Program ("Program"). The Guidelines specifies the characteristics of the targeted business market within the contracting industry. The Guidelines provides the Program eligibility for risks included within the Program. Business falling outside eligibility characteristics can be included with prior written acceptance from Specialty Underwriters Alliance ("Company") through a Special Acceptance ("referral").

DESCRIPTION OF PROGRAM

General Liability program for small to medium artisan contractors located in California with less than \$1,000,000 annual payroll and \$3,000,000 annual receipts. (Higher annual receipts are acceptable in certain situations. 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
Appliances and Accessories - Installation, servicing and repair - commercial -	91150	Installation, service or repair of commercial appliances including: Stoves Washers Dryers Central Vacuum Mixers etc.	No LPG manufacturing, storage or distribution. No hurricane shutter manufacturing, sales or installation. <i>(Household appliance installation service or repair (91155) shall be separately classified and rated.)</i> <i>(Television or radio receiver set installation or repair (99650) shall be separately classified and rated.)</i> <i>(Air conditioner nonportable shall be separately (91111) or room air conditioner (91155) should be separately classified and rated.)</i>	NA
Appliances and Accessories - Installation, servicing and repair - household	91155	Installation, service or repair of household appliances including: Stoves Washers Dryers Refrigerators Stereo or sound systems Portable air conditioners Appliance Repair for toasters, blenders, etc.	Commercial refrigeration. Garage door openers. No LPG manufacturing, storage or distribution. No hurricane shutter manufacturing, sales or installation. <i>(Television or radio receiver installation or repair - 99650 shall be separately classified and rated.)</i> <i>(Air conditioning - 91111 or heating AC - 95647 shall be separately classified and rated.)</i>	NA
Cable or Subscription Television - Installation of Lines and equipment at customers premises - no cable line construction or satellite dish installation	91315	The classification includes the installation of lines and equipment at customer's premises. (For premium computation purposes include the payroll of outside salespersons, collectors, messengers and clerical)	Cable Television line construction. Satellite installation Excavation work.	C7

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
<p>Carpentry – Construction of residential property not exceeding three stories in height.</p>	<p>91340</p>	<p>Work on residential property not exceeding three (3) stories in height after a certificate of occupancy has been obtained.</p> <p>Includes: Interior and exterior work Cabinet installation Door installation Garage door installation Wood siding installation & Trim or finish work.</p> <p>Installation of plywood flooring - for hardwood floor installation</p> <p>Window installation - other than glass replacement</p> <p>Wood decks and porches</p>	<p>Excavation work.</p> <p>Door or window manufacturing.</p> <p>Specialty contractors including roofing and wall boarding.</p> <p>Work on commercial properties.</p> <p>Work related to children's playground equipment.</p> <p>Dock construction or repair.</p> <p>Hurricane shutter installation.</p> <p>Refinishing of floors or furniture.</p> <p>Roof decking.</p> <p>Trusses and plywood installation for roofing and paper and shingles.</p> <p>Exterior construction over three (3) stories.</p> <p><i>(Any work done by a specialty contractor is classified based on what they do.)</i> <i>(Also any manufacturing of millwork or cabinets are classified as same i.e. cabinet mfg - 91343.)</i></p>	<p>C5</p>

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
<p>Carpentry - Interior - Specialty Contractor Not applicable to contractors engaged in any other carpentry operation at the same job or location.</p>	<p>91341</p>	<p>Interior carpentry work only, such as the installation of doors, windows, cabinets and hardwood or parquet floors inside of a building.</p> <p><i>(This class is applicable only when the work is done as a separate operation having no connection with any other carpentry operations performed by the same contractor at the same job or location.</i></p> <p><i>If the interior trim carpentry is incidental to general carpentry performed by the same contractor at the same job or location, it is not required to be separately classified and rated using this classification.)</i></p>	<p>Work on residential property prior to certificate of occupancy.</p> <p>Exterior carpentry work.</p> <p>Abatement work.</p> <p>Wood playground equipment.</p> <p>Refinishing of floors or furniture.</p> <p>Restoration work.</p> <p>Trusses and plywood installation for roofing and paper and shingles.</p> <p>Roof decking.</p> <p><i>(Any manufacturing of millwork or cabinets are classified as same i.e. cabinet mfg - 91340.)</i></p>	<p>C6</p>
<p>Carpentry - Shop Only - Woodworking</p>	<p>91343</p>	<p>Custom cabinets and other woodworking activities.</p>	<p>Lumber yards.</p> <p>Construction of playground equipment.</p> <p>Construction of furniture.</p> <p>Construction of ladders or any other type of equipment.</p> <p>Construction of anything that would not be used inside a residential or commercial building.</p> <p>Building Material Dealers.</p> <p>Home Improvement Stores.</p>	<p>C6</p>
<p>Carpet, Rug, Furniture or Upholstery Cleaning - On customers premises</p>	<p>91405</p>	<p>Furniture cleaning.</p> <p>Rug or carpet dyeing.</p> <p>Carpet and upholstery cleaning.</p>	<p>Janitorial work.</p> <p>Floor waxing or buffing</p> <p>Water or fire damage restoration.</p>	<p>NA</p>

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Ceiling or Wall Installation - Metal	91436	Suspended acoustical ceiling. Metal beams or framing. Aluminum and rubber siding to install wall.	<i>(Metal door/window installation 91746 and Ceiling or wall installation other than metal shall be separately rated as Dry Wall or Wallboard installation - 92338 or Carpentry 91340.)</i>	Class?
Debris Removal/Construction Site Clean Up - f	91629	Debris removal in connection with construction or erection. No asbestos or mold removal or remediation.	Salvage operations Demolition operations.	NA
Door, Window or Assembled Millwork Installation - Metal	91746	Installation of metal doors, windows or assembled millwork.	<i>(The installation of doors or windows not metal shall be classified as Carpentry - 91340 or 93141.)</i>	Class B
Driveway, parking area or sidewalk - paving or repairing - No street or road work	92215	Sidewalks. Parking lots. Driveway. Curbs. Painting of yellow strips on lots.	Street or road work. Man holes. Clearing of right-of-way. Earth or rock excavation. <i>(Filling or grading of land - 95410 less than three feet shall be separately classified and rated.)</i>	C32
Drywall or Wallboard installation	92338	Sheet rock installation. Taping and finishing drywall.		C9
Electrical Work - within buildings - no power line construction, burglar or fire alarm system, electrical machinery or auxiliary apparatus work	92478	Computer line installation. Wiring within buildings. Installation of outlets, electrical panels. Intercom installation. Vacuum cleaner systems.	Power line construction. Burglary or fire alarm work. Electrical machinery or auxiliary apparatus work. Garage door installation – electrical. Machinery installation or repair. Pump installation or repair. Train and train track work. Motor repair.	C10

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Fence Erection Contractors - not fence dealers	94276	Wooden or metal fence erection. Mailbox installation. Real estate sign installation.	Child-proof pool fences. Electrically-charged fencing. Barbed wire fencing. Fences sold to the general public.	C13
Floor Covering Installation - not ceramic tile or stone	94569	Carpet installation. Linoleum sheets or square tiles installation. Hardwood floors installation.	No rubber flooring installation. <i>(Ceramic tile or stone installation should be separately classified and rated as Tile, Stone, Marble, Mosaic or Terrazzo – Interior - 99746.)</i>	C15
Furniture/Fixtures Installation - installation in offices or stores - portable - metal or wood.	95124	Installation of bulletin boards, display tables, filling equipment, modular workstations, partitions, shelving, storage bins etc.		Class NA
Heating and Air Conditioning Systems or Equipment - installation, service or repair - no liquefied petroleum gas (LPG) equipment sales or work	95647	Installation of ducts and vents. Shop and display rooms. Freon installation. Air freshener installation. Duct cleaning.	Installation, service or repair of LPG units. Refrigeration installation or repair. <i>(Work connected with solar panel installation should be separately classified and rated as Solar Energy Contractors – 99080.)</i>	C20
House Furnishings Installation - NOC	96053	Installation in homes of; Draperies and curtains, Window shades and blinds, Mirrors, Pictures, Closet Organizers, Glass Shower Stalls & Incidental upholstery and floor covering.	Furniture repair. Commercial installation in hotels/motels, etc.	Class NA

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
<p>Insulation Installation - Plastic - Includes installation or application of acoustical or thermal insulating material in buildings or within building walls. Class applies only when insulation or acoustical work is performed as a separate operation, not part of or incidental to any other construction operation performed at the same job location. No asbestos, formaldehyde products or polyurethane framing operations.</p>	<p>96408</p>	<p>Installation or application of acoustical or thermal insulating material in buildings or within building walls</p>		<p>C2</p>
<p>Interior Decorators</p>	<p>96611</p>	<p>Installation of house furnishings such as slipcovers, curtains or draperies, window shades, Venetian blinds, and wooden window shutters when performed at a customer's premises.</p>	<p><i>(The following operations shall be separately classified and rated –Upholstering – 99826 & 99827, Floor covering - 9456) & Tile work - 99746.)</i></p>	<p>NA</p>
<p>Landscape Gardening - no spraying; tree trimming, removal or pruning</p>	<p>97047</p>	<p>Interior rent-a-plant business.</p> <p>Laying of sod only if not a nursery selling sod.</p> <p>Trimming of bushes.</p> <p>Spraying - non-pesticides.</p> <p>Laying out of grounds.</p> <p>Interior landscaping.</p> <p>Planting trees, shrubs, flowers or lawns</p>	<p>Nurseries.</p> <p>Tree trimming, removal or pruning.</p> <p>Grading of land.</p> <p>Land clearing.</p> <p>Pesticide spraying.</p> <p>Excavation.</p>	<p>C27</p>

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Masonry - construction or residential property not exceeding three stories in height	97447	<p>Bricklaying not exceeding three (3) stories in height.</p> <p>Concrete block laying not exceeding three (3) stories in height.</p> <p>Building or block, stone or brick not exceeding three (3) stories in height.</p> <p>Marble work not exceeding three (3) stories in height.</p> <p>Decorative retaining wall - block, stone or brick less than 4 feet in height.</p> <p>Stone setting not exceeding three (3) stories in height.</p> <p>Decking around pool.</p>	<p>Chimney construction or work.</p> <p>Exterior work over 3 stories.</p> <p>Structural retaining walls.</p> <p>Pool or pool lip work.</p>	C29
Office Machines or Appliance Installation and Service - Includes shop operations.	98111	<p>Installation of equipment such as, calculators, computers and computer related equipment (modems, printers, etc.) copy machines, fax machines, microfilm equipment, postage machines and typewriters.</p> <p>It also includes shop operations.</p>	Any type of machines that would not be used in normal office operations.	Class NA
Painting –Exterior-Building or Structures – three stories or less	98304	Exterior painting of buildings or structures only. This includes the prepping of the surface prior to painting.	<p>Painting of steel structures and bridges.</p> <p>Exterior spray painting.</p> <p>Painting of roofs.</p> <p>Painting of tanks.</p> <p>Interior decorators or custom finishes.</p> <p>Exterior painting over three (3) stories.</p> <p><i>(Interior painting - 98305 should be separately rated.)</i></p>	C33

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Painting - Interior	98305	Interior painting of building or structures. This includes prepping of the surface prior to painting.	<i>(Exterior painting - 98304 should be separately rated.)</i>	C33
Paperhanging	98344	Paperhanging. This is lightweight or heavyweight, patterned or solid color wallpaper, some with adhesive backings, some with vinyl coatings grass cloth etc. This includes prepping the wall prior to attaching the wallpaper.	<i>(Painting - 98305 should be separately classified and rated.)</i>	C33
Plastering or Stucco Work - construction of property not exceeding three stories in height	98449	Plastering, plain or ornamental not exceeding three (3) stories in height. Lathing not exceeding three (3) stories in height. Spraying of popcorn, orange peel or knock down texture to ceilings or walls not exceeding three (3) stories in height.	Exterior insulation work. Finish systems work. Exterior work over 3 stories. Swimming pool work. Any work with E.I.F.S.	C35
Plumbing - Commercial and Industrial-	98482	The installation, service or repair of sanitary gas, steam, hot water pipe or other pipe fittings including building connections and gas or liquid fuel appliances. The incidental sales of plumbing fixtures and supplies to be used in connection with the insured's installation, service or repair operations. Shops and display rooms are included.	Sales of Appliances. Installation, serving and repair of heating systems or units or liquefied petroleum gas (LPG) systems and piping. Sales of fixtures and supplies which are not to be used in connection with the insured's installation, service or repair operations. Fire sprinkler work.	C36

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Plumbing - residential or domestic -	98483	<p>The installation , service or repair of sanitary gas, steam, hot water pipe or other pipe fittings including building connections and gas or liquid fuel appliances in connection with 1-4 family dwellings.</p> <p>The incidental sales of plumbing fixtures and supplies to be used in connection with the insured's installation, service or repair operations for 1-4 family dwellings.</p> <p>Shops and display rooms are included.</p>	<p>Sales of Appliances.</p> <p>Installation, serving and repair of heating systems or units or liquefied petroleum gas (LPG) systems and piping.</p> <p>Sales of fixtures and supplies which are not to be used in connection with the insured's installation, service or repair operations.</p> <p>Fire sprinkler work.</p>	C36
Sheet metal	98884	<p>Sheet metal pole buildings.</p> <p>Metal sheds.</p> <p>Includes incidental shop work.</p>	<p>Roofing work.</p> <p>Duct work in connection with the installation of air conditioning or heating systems.</p>	C43
Siding or Gutter Installation - other than wood - properties not exceeding three stories in height	98967	<p>Aluminum or vinyl installation.</p> <p>Includes soffit work.</p> <p>Decorative shutters when incidental to siding installation.</p>	<p>Storm or hurricane shutters.</p> <p>Spray-on siding.</p> <p><i>(Wood siding installation shall be separately classified and rated as Carpentry - 91340.)</i></p>	Class NA
Sign Erection, Installation and Repair -	98993	<p>Erection of billboards, signs, poster panels on buildings or in open spaces such as fields.</p> <p>Operations include the replacement of advertising matter on billboards and the maintenance of the actual billboard sign.</p> <p>This classification also includes shop operations.</p>	<p>Erection, installations and repair of signs over three stories in height.</p>	Class NA

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Sign Painting or Lettering - Interior -	99003	<p>Painting in the insured's shop or those risks engaged in sign painting or lettering at a customer's premises.</p> <p>This classification includes shop operations and existence hazard of signs located away from the insured's premises.</p>	<p>Advertising Companies – Outdoor.</p> <p>Sign painting on cars, trucks or boats.</p> <p><i>(Sign Erection or Repair shall be separately classified and rated as Sign Erection, Installation and Repair -98993.)</i></p>	Class NA
Sign Painting or Lettering - Exterior - Under three (3) stories in height.	99004	<p>Risks engaged in sign painting or lettering on the outside of buildings less than three (3) stories in height.</p> <p>This classification includes shop operations and existence hazard of signs located away from the insured's premises</p>	<p>Work on buildings three (3) stories in height or greater.</p> <p><i>(Interior sign painting or lettering shall be separately classified and rated as. Sign Painting or Lettering – Interior - 99003.)</i></p>	C33
Swimming Pools – installation, servicing or repair-	99507	<p>Routine maintenance of swimming pools, such as cleaning filters, vacuuming and maintaining proper PH level, but not involved in major repair work.</p> <p>This classification includes the incidental sales of parts and accessories.</p>	Major repairs or installation of new pools.	C53
Television or Radio Receiving Set Installation/Repair - residential only, no commercial work. No TV monitoring or surveillance equipment installation or service. No cable TV line construction, No fiber optic cable work. No exterior work over three (3) stories in height.	99650	Television or Radio installation or repair including the erection of antennas on residential property three stories or less.	<p>Television or radio installation or repair including erection of antennas on building over three stories.</p> <p>Work with electric or electronic appliance other than television or radio.</p> <p>Commercial work.</p> <p>TV monitoring or surveillance equipment installation or service.</p> <p>Cable TV line construction.</p> <p>Fiber optic cable work.</p>	Class NA

Description	Class Code	Acceptable Operations	Unacceptable Operations	Applicable License Type
Tile, Stone, Marble, Mosaic or Terrazzo Work- interior	99746	<p>Setting and installing interior ceramic tile, marble and mosaic tile.</p> <p>Cutting and polishing tile for interior installation.</p> <p>Mixing of marble particles and cement to make terrazzo flooring.</p> <p>This classification includes incidental exterior work.</p>	<p>Manufacturing of precast terrazzo steps, benches and other terrazzo articles away from the construction site.</p> <p>Sandblasting.</p> <p>Chimney installation, service or repair.</p> <p>Swimming pool installation, service or repair.</p> <p><i>(Exterior construction work shall be separately classified and rated as Masonry - 97447.)</i></p>	C54
Upholstery – Shop Only	99827	Incidental furniture refinishing or repairing not at the customer's premises.	Work at customer's premises.	Class NA

SUBCONTRACTING CLASSES – cannot exceed 25% of insured's work

- These classifications apply to that portion of the operations performed by adequately insured subcontractors of the insured.
- Operations performed by subcontractors without equal or higher liability insurance limits shall be classified and rated under the artisan classification intended for the work they perform.

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 sub-contractors that does not exceed 25% of insured operations.</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	
Contractors-subcontracted work-in connection with building construction, reconstruction, repair or erection-one or two family dwellings.	91583	<p>Work that is performed by adequately insured sub-contractors that does not exceed 25% of insured operations.</p> <p>Subcontracting work in relation to 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-buildings.	91585	<p>Work that is performed by adequately insured sub-contractors that does not exceed 25% of insured operations.</p> <p>Subcontracting work in relation to buildings that are not one or two family dwellings.</p>	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:

- Contractors with annual payroll less than \$1,000,000.
- Contractors with annual receipts less than \$3,000,000. (Please refer to company if receipts exceed this amount.)

INELIGIBLE RISKS:

- Applicants with less than 3 years contracting experience with another contractor or as an independent contractor.
- Contractors with more than 25% of their work subcontracted. For subcontracted work, the applicable subcontracting classification will need to be added to the policy for subcontractors carrying equal or higher liability insurance limits. If they do not carry limits equal to or higher than the applicant then they will need to be classified under the classification of the type of work they perform.
- Contractors who work on condominiums, townhouses, apartments or tracts over 5 units except for repair or remodeling of not more than one unit at a time 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 at a time within a development.
- 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.
- Contractors that remove asbestos insulation or asbestos containing material, fungus, mold or install insulation materials other than fiberglass or rock wool.
- Any subcontracted work that is not specifically shown as an acceptable classification under this program.
- 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 perform or sublet any demolition or blasting operations.
- Risks that sell, install, service or repair wood, coal or waste oil burning stoves.
- Contractors with operations/work on or for airport, elevator, environmental remediation, railroad, roofing, swimming pool construction, traffic lights, underground tanks, skylights, EFIS.
- 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.
- Risks involved in fiber optic cable work or installation.
- Contractors involved in excavation or tunnelling.
- Contractors involved in any exterior work over three (3) stories in height.
- General Contractors.
- Contractors with involvement in prefab steel construction.
- Developers.
- 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.
- Contractors involved in restoration work involving smoke, fire, water or earthquake damage.
- All single Class A Licenses do not qualify for this program unless the contractor no longer practices under the areas implied by an "A" license and provides the Program Agent with a letter (with the insured's signature) indicating they no longer practice in any related capacity.
- All single Class B licensed Artisan Contractors do not qualify for this program.

ADDITIONAL UNDERWRITING REQUIREMENTS

- A current copy of the Contractors State License Board Licensing Report is required.
- Currently valued loss runs for the past three years or a signed statement of losses is required with every application.

- A signed application including all warranties must be received prior to the binding of any insured ever year.
- Contractors which have been in business for less than 3 years must have at least 3 years prior work experience.
- Hired and Non-owned Auto Liability is not available in this program.
- A prior acts endorsement is to be attached to every policy. This excludes the insureds work completed prior to or abandoned by the insured prior to the effective date of the first policy issued with SUA. This date remains the same from year to year as long as the insureds policies are issued consecutively (with SUA) with no lapse in coverage.

RATES

Base Rating:

- Rates and Rules authorized by the applicable state/jurisdiction for use in the program are contained in the Rate, Rule and Form Manuals on file with the Company. Those manuals are hereby included by reference. The manuals include Company and Program Proprietary Rates and Rules. ISO Rate and Rules will be used when there is not an applicable Company or Program Proprietary Rate or Rule. 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.
- The Loss Cost Multiplier is 1.488.
- Follow ISO rules for the application of minimum payroll.

Rating Adjustments:

- The Company Tiered Pricing Rule SUA2.1/SUA2.2 applies to this program. Due to the inherent exposures of contractor classes, they will not be eligible for the superior tier.
- A 1.20 factor applies for an insured that chooses to delete the Sunset Clause.
- If the artisan contractor has had their coverage lapse for more than 30 days for any reason, a factor of **1.5** will be applied to the standard premium developed under this program for the first policy term following the lapse in coverage.
- If the artisan contractor has incurred one loss in the latest two years, a factor of **1.1** will be applied to the standard premium developed under this program.
- If the artisan contractor has incurred two losses in the latest two years, a factor of **1.2** will be applied to the standard premium developed under this program.
- ISO Experience rating does not apply.
- The following gross minimum policy premiums apply:

Each Occurrence	General Aggregate	Prod/Completed Ops Aggregate	Minimum Premium
\$100,000	\$100,000	\$100,000	\$1,000
300,000	300,000	300,000	1,000
500,000	500,000	500,000	1,000
1,000,000	1,000,000	1,000,000	1,125
1,000,000	2,000,000	1,000,000	1,250

- 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.

OPTIONAL COVERAGE RATING

Additional Insured:

- All Additional Insured status requests must be referred to the Company. This status can only be provided when Company approval is obtained and by the issuance of an Additional Insured endorsement. The insurable interest for specific Additional Insureds must be identified in the referral and coverage will be limited to the specific exposure. No certificates to cover Additional Insureds are to be issued or accepted by the Program Agent.
- To provide for an unlimited number of additional insureds or blanket coverage, charge \$250; or charge \$100 per additional insured request when done individually. If an unlimited amount is requested mid-term, any additional insured endorsements requested and paid for prior to that date will NOT be applied to the reduction of the \$250 charge assessed for unlimited additional insured coverage.

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. No certificates or other endorsements are to be issued or accepted by the Program Agent.
- 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 Program 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% 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 premiums of \$5,000 or greater.

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 by 25%.

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

COMMISSIONS

Pursuant to the Partner Agent Agreement.

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 that amount is payable to company to cover the state taxes for Policy Fees.)

Inspection Fee: \$50

The following fees also apply if the insured is provided installment billing.

Per Installment Fee: \$20
Reinstatement Fee: \$50

INFORMATION REPOSITORY

The Program Agent will build a repository where staff members can retrieve responses to frequently asked questions or unusual situations.

SUSPENSION OF UNDERWRITING

Company may suspend all or any part of Program Agent's authority to write any new or renewal business and/or change any existing policy by immediate notice to Program Agent if Program Agent fails to perform any substantial and material obligation to be performed under this Agreement after the Program Agent has been given sixty (60) days written notice to cure and having failed to remedy;

Notice of suspension will be given in writing to the Program Agent and the Program Agent will thereupon immediately cease exercising the authority given under this Agreement until the Program Agent receives notice in writing from underwriters that the suspension is no longer applicable. The provisions of this section will in no way diminish the right of Company to terminate this Agreement, nor is suspension a required prerequisite to termination.