

PROGRAM SUMMARY

The Artisan Contractor Program provides general liability coverage for specified classes of trade contractors. The program was designed to meet the needs of small contracting companies doing business within the trades and construction industry. The artisan contractor program does not cover contractors who hold an active or inactive General Contractor's or Builder's License acting in the capacity of a General Contractor, Builder, Construction Manager, Project Manager or Developer.

Binding Authority: Your binding authority is defined in the following documents: (1) Underwriting Guide; (2) Red/Yellow/Green Eligibility Guide; (3) Classification Guide; (4) Forms Guide; (5) Artisan Contractors Program Template.

Credits: The Artisan Program is designed to automatically provide credits or debits based on the risk's characteristics such as loss. There is no authority granted for scheduled or IRPM credits in addition to those automatically given in the rating worksheet.

Bind Requirements:

- Tower Artisan Contractor Supplemental Application signed and dated by the applicant
- Acord application
- Loss Runs: 3-years hardcopy loss runs or a "no known loss letter"
- Print out of evidence of current, valid trade license in the state of California. Go to Contractors State License Board at:
<http://www2.cslb.ca.gov/General-Information/interactive-tools/check-a-license/License+Request.asp>

Coverage Form Options:

1. Full Occurrence Form: no claims made, sunset or manifestation provisions
2. Sunset Clause - 2, 3 or 4 year. This optional policy endorsement limits the period after the policy expiration within which a claim may be brought. There is a credit for use of the sunset clause because it limits coverage. The sunset clause can be used for those insureds who wish to accept the reduced coverage for a premium reduction. In some cases, this sunset clause may also be used to engineer or make a risk acceptable which might otherwise be uninsurable due to exposure or claims.

SECTION I - SCOPE OF COVERAGE

Risks that have any one of the following characteristics are not eligible for this program:

- **Any risk with more than \$1,000,000 in total gross receipts (referral up to \$2.5MM)**
- **Any risk with more than 40% subcontracted work.**
- No new residential construction of condominiums, townhouses, timeshare developments. Residential tract work limited to no more than 10 homes maximum (see Exclusion - Condos, Townhouses, Timeshares and Tracts). Non-Structural work for individual owners is acceptable.
- Power line construction, burglar or fire alarm system, electrical machinery or auxiliary apparatus work.
- Spraying, tree trimming, tree removal or tree pruning.
- Painting of tanks.
- Swimming pool installation.
- Construction management for a fee.
- Sales, Service, Installation Or Repair for:
 - o Alarms
 - o Automatic fire extinguishing/suppression systems
 - o Boilers
 - o LPG appliances/connections/devices - except incidental (Incidental connection to appliances is permitted.)
 - o Waterproofing/Epoxy coatings
 - o Wood or coal burning stoves.
- Asbestos, mold or lead abatement (or installation).
- Chemical sales or application/spraying.
- Concrete (or any other) foundation work other than Driveway/Sidewalk Paving
- Demolition of structures.
- Operations involving:
 - o Chemical facilities
 - o Hospitals
 - o Petroleum facilities
 - o Playgrounds
 - o Schools.
 - o Airports or hangers
- EIFS (synthetic stucco) operations.
- Excavation, grading, trenching or tunneling operations.
- Exterior work of any kind above 3 stories.
- Risks with leased employees.
- Any retaining walls in excess of four (4) feet, NO load bearing walls..
- Any road or street operations including street sweeping.
- Any roofing operations.
- Sales/dealer/distributor only operations. Products sold must be installed and no store-front operations.
- Sand blasting or similar operations.
- Any risk involved in Wraps or OCIPs.
- Applicants with poor financial history or filed bankruptcy within the past five years.
- New ventures with less than 3 years of experience in the same line of business are not qualified for this program.
- Risks that have other businesses or operations which are not classified under this program.
- Roofing work, including, but not limited to, installation or repair of roof flashing, shingles, roof coatings or paint.

SECTION II - ELIGIBILITY

1. Subcontract Labor

If the insured sublets any work, the insured must obtain Certificates of Insurance proving evidence of Commercial General Liability coverage, including products and completed operations coverage, with limits equal to or greater than the insured's limits that are afforded by the insured's policy. A maximum of 40% subcontractors ratio is acceptable (sub cost/total gross receipts).

2. Time in Business/New Venture

Business should be successfully operated for at least three years. Start-up operations or new in business will be considered by providing information regarding prior employment and three or more years prior experience in the same trade. An acceptable resume of trade and management experience is required. New venture debit of 1.15 will be applied.

SECTION III - LIMITS

The program is offered at the following limits:

Each Occurrence / General Aggregate / Products Completed-Ops

\$300,000 / \$600,000 / \$300,000

\$500,000 / \$500,000 / \$500,000

\$1M / \$1M / \$1M

\$1M / \$2M / \$1M

\$1M/\$2M/\$2M

* Per Project Aggregate Option (see Section V-4)

Fire Damage Limit – Any one fire

\$100,000

Medical Payments Limit – Any one person

\$5,000

Deductible

Deductibles are per claim BI/PD deductible including expenses.

\$1,000 = 1.00 mod

\$1,500 = .90 mod

SECTION IV - HOW TO RATE

1. Based on the insured's business operation, choose the classification(s) from the Classification Guide in this manual, which describes the operation.
2. Choose the current Premises / Operations and Products / completed Operations rate for each classification and territory;
3. If occurrence form multiply by 1.00, then Multiply by Sunset Provision (if applicable...see sunset clause factors in Section V
4. Multiply by Service and Repair Factor (only applicable for 100% service/repair and/or 100% commercial work). See Section V
5. Multiply by Risk Experience Factors. See Section V
6. Multiply by Deductible Factor. See Section III.
7. Multiply the "at limits" premium by the exposures (payroll divide by 1000) to arrive at the at limits and deductible premium;
8. Add Premium Charge - Coverage Options. See Section V
9. Minimum premium \$1,000
10. Minimum payroll \$25,000 for officers/partners/owners, actual for employees
11. Minimum property damage deductible \$1,000 with a \$1,500 option.



SECTION V - GENERAL LIABILITY COVERAGE MODIFICATION

1. Risk Experience Factors

- New business = 1.15
- 1 year loss free = .90
- 2 years loss free = .85
- 3 or more years loss free = .80
- Other = 1.00

2. Sub Cost Ratio

Subcontractor's ratio is calculated by the following formula:

Sub Cost Ratio = Subcontractor's cost / total gross receipts

Definition of Total Gross Receipts: Per common standard usage by government agencies for taxing purposes, the term "gross receipts" comprises the total receipts of a business – no deductions for the cost of goods or property sold, labor costs, interest expense, discount paid, delivery costs, state or federal taxes, or any other expenses are allowed.

Greater than 40% sub cost ratio is ineligible for this program.

3. Service and Repair Factors

.75 factor for 100% Service & Repair and/or commercial Risk.

4. Premium Charge - Coverage Options

Per Project Aggregate: CG 25 03 - Flat charge of \$250

Scheduled Additional Insured: CG9 20 01 08/06 - Included in Premium

Waiver of Subrogation: CG9 21 47 04/08 - Included in Premium

Premiums for all flat rated endorsements are fully earned at inception.

5. Sunset Factors (use for CG9 24 03 07 08 --endorsement must be signed by applicant and agent and made part of the policy)

To place a 2, 3 or 4 year time limit after which claims cannot be reported to the policy, attach the Sunset Provision – CG9 24 03. Apply the credit factor to the total General Liability premium (exclusive of optional coverage's).

- 2 year = .80
- 3 year = .85
- 4 year = .90

SECTION VI - CLASSIFICATION GUIDE (See guide for class description)

SECTION VII - MINIMUM DOCUMENTATION

- √ Contractors Supplemental Application Completed and Signed By Insured (Mandatory – all risks)
- √ Prior Losses: maximum of 1 claim with \$1,000 maximum paid and reserved over 3 years , no CD Claims (refer all exceptions)
- √ Terrorism documentation
- √ Loss Runs : Three (3) years loss history or a No Known Loss Warranty will be required.
- √ Pull and review license from State of California confirming: license is current, name on license matches Named Insured on application, license is applicable to trade .
Go to: <http://www2.cslb.ca.gov/General-Information/interactive-tools/check-a-license/License+Request.asp>



ARTISAN CONTRACTORS- CA

CLASSIFICATION GUIDE

Classification by Industry Segment	Class Code	Description	UW Notes
Artisan Contractors			
Air Conditioning	91111	This classification applies to risks engaged in sales and installation, servicing or repair of air conditioning systems or equipment. This classification also applies to risks engaged only in installation, servicing or repair of air conditioning systems or equipment. No heating systems (rate heating under Heat/AC class 95647). No refrigeration or cold storage work.	(1) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04/08 . If plumbing operation, rate under plumbing class.
Appliances and Accessories - installation, servicing or repair - Commercial	91150	Appliance Installation Commercial – No residential, apartment work ok. No cutting, slicing equipment. Not intended for Commercial TV or radio receiving set installation, service or repair .	(1) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04/08
Appliances and Accessories - installation, servicing or repair - Residential	91155	Appliance and Accessories – Installation, service and repair of household appliances & accessories. No commercial appliances. Not intended for Household TV or radio receiving set installation, service or repair .	(1) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04/08

Classification by Industry Segment	Class Code	Description	UW Notes
Carpentry - construction of residential property not exceeding three stories in height	91340	Carpentry - Residential only. Includes non-structural remodeling & repair and structural remodeling & repair. Structural work includes adding square footage such as second story, room additions, and decks. Includes licensed Handyman. All roofing and foundation work must be subcontracted. No exterior work on buildings exceeding three stories.	<ul style="list-style-type: none"> ▪ This class is exclusively for residential remodelers ▪ No new construction ▪ No framing contractors ▪ Two Stories + attic considered three stories ▪ Service & Repair and/or Commercial Only premium credit NOT available for this class. <p>(1) Apply Mandatory Endorsement: Designated Work: New Construction Exclusion (CG9 21 10E 08 06) (2) Apply Mandatory Endorsement: Designated Work: Roofing Exclusion (CG9 21 10A 08 06) (3) Apply Mandatory Exclusion: Concrete Foundation Exclusion (CG9 21 46 04 08)</p>
Cabinet Makers/Carpentry - shop only(SEE CARPENTRY INTERIOR - 91341)	91341	Cabinet makers - shop only will use Carpentry - Interior 91341	Good housekeeping is critical. Dust collection system is required. Class as Carpentry Interior 91341
Carpentry - interior	91341	Interior – Finish carpentry, Includes woodwork, trim, countertop (no tile), wooden doors, cabinet installation, and shelving.	No structural framing. Interior room remodel is classified as Carpentry-NOC 91342.
Carpentry NOC	91342	Carpentry - Commercial only. Includes commercial tenants improvements & betterments, repair & replacement. Non-structural remodeling & repair only. All roofing and foundation work must be subcontracted. No exterior work on buildings exceeding three stories.	<ul style="list-style-type: none"> ▪ No new construction ▪ No framing contractors <p>(1) Apply Mandatory Endorsement: Designated Work: New Construction Exclusion (CG9 21 10E 08 06) (2) Apply Mandatory Endorsement: Designated Work: Roofing Exclusion (CG9 21 10A 08 06) (3) Apply Mandatory Exclusion: Concrete Foundation Exclusion (CG9 21 46 04 08)</p>
Carpet/Upholstery Cleaning	91405	Carpet, Rug, Furniture or Upholstery Cleaning – on customer premises only, no shop exposure.	No bleaching
Ceiling/Wall Panel Installation	91436	Ceiling or wall installation - metal or acoustic	No asbestos or insulation work

Classification by Industry Segment	Class Code	Description	UW Notes
Communication Equipment Installation	91551	Telephone Equipment Installation - wiring, cables & circuits for telephone and communications equipment operating at less than 50 volts. Work within buildings only.	
Door & Window Installation	91746	Door/millwork/window installation - service, repair and installation of garage doors are okay.	No exterior over 3 stories. Includes Glass/Glaziers
Driveway/Sidewalk Pavement	92215	Driveway or Sidewalk – No public/private street, road or highway work. No grading or excavation other than incidental to driveway and sidewalk paving.	Concrete foundation exclusion. No parking lots, No digging of foundations, No waterproofing, No pointing, No Public street, road or highway work. No grading or excavation other than incidental to driveway and sidewalk paving.
Dry Wall or Wallboard Installation/Interior Stucco & Plastering	92338	Drywall or Wallboard installation	No asbestos or insulation work
Electrical Work - within buildings	92478	Electrical Work within Buildings including incidental outside work.	No installation, servicing, repair or monitoring of security or fire alarm systems. No power line construction, pole work, generator, electrical machinery or auxiliary apparatus work.
Fence Erection Contractors	94276	Fence Erection Contractors – No swimming pool, playground, child-safety or electrically charged fencing. No manufacture of metal fences—erection only with no welding exposure.	(1) Apply Mandatory Exclusion: Subsidence of Land or Soil Exclusion (CG9 21 44) (2) Apply Mandatory Exclusion: EXCLUSION – EXPLOSION, COLLAPSE AND UNDERGROUND PROPERTY DAMAGE HAZARD -SPECIFIED OPERATIONS (CG 21 42 12 04)

Classification by Industry Segment	Class Code	Description	UW Notes
Floor covering Installation - not ceramic tile or stone	94569	Floor Covering Installation – No store operations, no sales-only operations. Installation of carpeting and laminate. Ceramic tile, stone, marble or terrazzo work should be separately classified as Tile.	WOOD FLOORING - USE CARPENTRY NOC - 91342
Glaziers - (SEE DOOR & WINDOW INSTALLATION)	91746	SEE DOOR & WINDOW INSTALLATION	No work over 3 stories
Heat/AC No LPG	95647	Heating and Air Conditioning Systems – No refrigeration or cold storage work.	(1) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04 08. If plumbing operations, rate under the plumbing class.
House Furnishings Installation	96053	House Furnishing Installation – Includes installation of pictures, mirrors, window treatments and closet organizers. No furniture repair or moving services. For residential or commercial appliance installation see 91155 & 91150.	Not intended for household furniture/fixture/appliance movers/moving services.
Janitorial - Commercial	96816	Janitorial - COMMERCIAL OFFICES ONLY - No industrial sites, residential exposures, model homes, retail work or sales of chemicals or cleaning supplies. No debris removal other than incidental to office cleaning.	
Landscape Gardening/Landscape installation/Lawn care gardening	97047	Landscape Maintenance & Gardening— (1) Basic landscape/lawn care service-mowing ; (2) Landscape Installation. Over-the-counter fertilizer/weed control. No nursery, agricultural or industrial irrigation systems. Law sprinkler installation ok. NO pesticides or tree trim/removal. Deck construction (use 91342), decorative retaining walls (use 97447), No Pools, ponds.	(1) Apply Mandatory Exclusion: Subsidence of Land or Soil Exclusion (CG9 21 44) (2) Apply Mandatory Exclusion: EXCLUSION – EXPLOSION, COLLAPSE AND UNDERGROUND PROPERTY DAMAGE HAZARD -SPECIFIED OPERATIONS (CG 21 42 12 04) (3) Apply Mandatory Exclusion: Exclusion Designated Work (CG9 21 10) fill in form: Construction of retaining walls higher than four feet.

Classification by Industry Segment	Class Code	Description	UW Notes
Masonry Contractor	97447	Masonry – includes cutting & laying of bricks, block, stone and other unit masonry or clay product and mortar work. Retaining walls over 4 feet not allowed BUT perimeter wall over 4 feet ok. No street, road or highway walls or work. NO exterior work on buildings exceeding 3 stories, chimney or cast-in-place concrete work.	No digging of foundations, waterproofing, or pointing. No work over 3 stories (1) Apply Mandatory Exclusion: Exclusion Designated Work (CG9 21 10) fill in form: Construction of retaining walls higher than four feet.
Metal Erection - decorative or artistic/Sheet Metal Work	97650	Includes installation of metal or wrought iron railings and fences. Includes sheet metal work, exterior gutter, ventillation. No structural components. No steel fabricating or manufacturing. NO FLASHING	No structural components. No steel fabricating or manufacturing. NO FLASHING
Painting - exterior - buildings or structures	98304	Paint Exterior-Buildings & appurtenant structures only, including walkways/fences, surface preparation and faux/texture painting. NO waterproofing, exterior work on buildings exceeding 3 stories or roof painting. No work on tanks, street and road or bridges.	No work over 3 stories, EXTERIOR SPRAY PAINTING OPERATIONS ONLY ACCEPTABLE WITH THREE (3) YEARS LOSS-FREE EXPERIENCE.
Painting - interior - buildings or structures	98305	Painting Interior – Bathtub refinishing ok – No exterior/No waterproofing.	
Paperhanging	98344	Paperhanging – Includes surface preparation, covering walls and ceilings with wallpaper, fabric, vinyl or other wall coverings.	

Classification by Industry Segment	Class Code	Description	UW Notes
Plastering or Stucco Work- Interior (SEE DRYWALL)	92338	INTERIOR WORK ONLY - SEE DRYWALL	No EIFS installation: EFIS Exclusion mandatory
Plumbing - commercial and industrial	98482	Plumbing Commercial – No fire sprinklers, liquefied petroleum gas (LPG), septic tank, excavation, swimming pools, process piping, public utilities, hospitals or industrial work, or steam/boiler work. Water softener installation ok. Acceptable operations: breaking and repair of concrete to install pipes. No main line work (sewer, gas, water).	(1) Apply Mandatory Exclusion: Exclusion Designated Work (CG9 21 10) fill in form: Septic tank installation. (2) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04 08 No sewer/water/gas/ Mains
Plumbing - residential or domestic	98483	Plumbing Residential – Water softener installation, okay to break concrete & repair to install pipes, lay sewer line/pipe drain and use ditch witch for underground lines. Lawn sprinklers installation ok. No main line work (sewer, gas, water).	(1) Apply Mandatory Exclusion: Exclusion Designated Work (CG9 21 10) fill in form: Septic tank installation. (2) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04 08 No sewer/water/gas/ Mains
Refrigeration Equipment Installation / Service	98636	Refrigeration Equipment - Installation, service, repair of commercial refrigeration systems. No wholesale cold storage work, manufacturing, industrial, or processing work. Incidental LPG work ok (up to 15% of annual receipts).	(1) Apply Mandatory Exclusion: Liquefied Petroleum Gas CG9 21 38 04 08
Sheet Metal Work - outside (SEE METAL WORKS)	97650	SEE METAL WORKS - NO FLASHING	No steel fabricating or manufacturing, No Flashing

Classification by Industry Segment	Class Code	Description	UW Notes
Siding and Gutter Installation	98967	Siding and Gutter - Installation includes soffit/fascia and decorative shutters. No spray on siding/roofing/roof flashings. No work on buildings exceeding three stories. Only 100% service/repair and/or commercial risks permitted in this class.	<ul style="list-style-type: none"> ▪ No new construction ▪ Two Stories + attic considered three stories (1) Apply Mandatory Endorsement: Designated Work: New Construction Exclusion (CG9 21 10E 08 06) (2) Apply Mandatory Endorsement: Designated Work: Roofing Exclusion (CG9 21 10A 08 06)
Tile, Stone, Marble, Mosaic or Terrazzo Work -interior construction	99746	Tile, Stone, Marble, Mosaic or Terrazzo Work – Installation and repair of these materials to floors, walls or counter-tops. NO swimming pool work or roofing operations.	No roofing, swimming pool work.