



Underwriting guidelines

CONTRACTORS

Local exceptions to these underwriting guidelines may apply.

Please consult with your underwriter or sales executive for details and to discuss risks that exceed the following guidelines.

Contractors PacSM risks will typically have:

- Up to \$750,000 total annual payroll

Underwriting guidelines for **Contractors Pac**

Building or business personal property and general liability coverage is required. If applicable and eligible, coverage is required for all owned buildings. One hundred percent insurance-to-value is required.

Eligible operations are businesses specifically listed in the classification section.

Years in business

Three years in business is preferred. Exceptions for new ventures will be entertained provided the risk has three years of prior management experience in the same type of business.

Loss experience

The business must have favorable loss experience for property and general liability.

- For each \$10,000 in premium size, favorable loss experience can be generally defined as no more than two claims (Property and General Liability) and no loss greater than \$10,000 in the last three years. The business must not have been involved in any construction defect claim in the last 10 years
- Hard copy loss runs are preferred

Prior carrier

The business should have had continuous insurance coverage for the last three years, with no cancellations by the insurer(s) or non-renewals (for other than market withdrawals or transfers within an insurer company group).

Property underwriting guidelines

For both tenants and building owners, the plumbing, HVAC, wiring and roof must have been updated in the past 30 years.

Liability underwriting guidelines

Operations must be contemplated by the classification. Work subcontracted to others must not exceed 25% of annual receipts and must be separately rated.

Certificates of insurance with limits at least equal to the insured's primary general liability limit of insurance must be obtained for all subcontracted work. There should be favorable contractual risk transfer.

All contractors must be licensed where required.

Business income for contractors segment

Business income and extra expense is included for **Contractors Pac**. Coverage applies on an actual loss-sustained basis for up to 12 consecutive months. Coverage may be written on a policy or location level basis for any dollar limit without the 12-month limitation.

Coverages for contractors

The following applies to all contractors:

- CG D0 76 – Exclusion lead is mandatory
- CG D1 23 – Exclusion – all premises/operations with wrap-up programs is mandatory
- CG D2 03 – Amendment – non-cumulation of each occurrence limit of liability and non-cumulation of personal and advertising injury limit is mandatory
- CG D2 04 – Exclusion – exterior insulation/finish system is mandatory
- CG D2 40 – Exclusion silica is mandatory
- CG D2 43 – Fungi or bacteria exclusion is mandatory
- CG M1 04 – Amendatory liability provisions – contractors is mandatory. This form:
 - Adds as an additional insured any state or political subdivision with respect to permits in connection with premises owned, rented or controlled
 - Adds as an additional insured any manager or lessor of premises leased to the named insured
- MP T1 78 – Amendatory provisions – contractors is mandatory. It modifies the business personal property off premises Coverage extension by:
 - Limiting coverage to the lesser of the business personal property limit or \$25,000
 - Extending coverage to include tools, equipment, building materials and supplies usual to the insured’s trade
 - Providing coverage at installation sites
- MP T3 23 – Fungus, rot, bacteria changes is mandatory
- CM T1 07 – Installation coverage is available
- CM T1 03 – Contractors equipment is available

Classifications for contractors

Description	Pac Program Code	Eligible SIC
<p>Air-conditioning</p> <ul style="list-style-type: none"> • See heating – combined HVAC (274) for contractors performing HVAC • If product sales without installation exceed 75% of total revenue, see Store Pac® or Wholesalers Pac PlusSM • None of the following: <ul style="list-style-type: none"> – LPG sales, installation, service or repair – Work on industrial and/or nuclear processing plants or equipment, amusement facilities, or hospitals – Any risk whose operations are more than 25% duct cleaning is ineligible 	253	1711
<p>Awning installation</p> <ul style="list-style-type: none"> • No tent sales or installation 	254	1799

Description	Pac Program Code	Eligible SIC
<p>Carpentry – 1 and 2 family dwellings</p> <ul style="list-style-type: none"> • Contemplates wood siding installation • Business must perform strictly interior work and perform no work affecting the structural integrity of the building or foundation • None of the following: <ul style="list-style-type: none"> – Dwellings exceeding 2 stories – Foundation work – Roofing • Payroll for following operations should be classified separately: <ul style="list-style-type: none"> – For interior carpentry (finish and trim work, cabinetry, interior framing), see carpentry – interior (257) – For siding (other than wood), see siding, gutter, and downspout installation (291) – For carpentry (door, window and assembled millwork), see door, window or assembled millwork (264) – For countertop installation, see countertop installation (263) 	256	1751
<p>Carpentry – interior</p> <ul style="list-style-type: none"> • Includes finish and trim work, and installation of cabinetry and hardwood floors • Business must perform strictly interior work and perform no work affecting the structural integrity of the building or foundation 	257	1751
<p>Carpentry – shop only</p> <ul style="list-style-type: none"> • Insured’s product does not require assembly by end user • Insured’s product requires minimal or no finishing • For cabinet makers or wood products manufacturing, see wood products manufacturers • None of the following: <ul style="list-style-type: none"> – Exterior residential construction – Lumberyards or building materials dealer or home improvement centers 	258	1751
<p>Carpet and floor covering installation</p> <ul style="list-style-type: none"> • Includes linoleum and vinyl floor tile and sheet installation • Does not include asphalt tile installation • For interior brick, stone, tile or marble flooring, see tile and stonework (293) 	297	1752
<p>Carpet, rug and upholstery cleaning</p> <ul style="list-style-type: none"> • Includes both shop and customers’ premises • No janitorial service contractors 	259	7217

Description	Pac Program Code	Eligible SIC
<p>Communication equipment installation – industrial or commercial</p> <ul style="list-style-type: none"> • Includes cable and satellite dish installation • Includes installation of audio or video systems and intercom or public address systems at commercial or industrial sites • No installation of the following: <ul style="list-style-type: none"> – Alarms – Cellular phone towers – Exterior power lines – Phone lines/towers 	261	1731
<p>Concrete construction</p> <ul style="list-style-type: none"> • Includes bricklaying impacting building integrity • Includes concrete residential or commercial foundations or footings, basement, sidewalk, or parking lot flatwork • None of the following: <ul style="list-style-type: none"> – Batch plants or production operations – Construction of airport runways or aprons – Concrete or cement distribution, guniting or shotcrete – Concrete castings of structural beams, or walls or floor panels – Exterior Insulation Finishing Systems (EIFS) or Direct-applied Exterior Systems (DEFS) – Streets or roads, bridges or elevated highways 	262	1771
<p>Countertop installation</p> <ul style="list-style-type: none"> • Includes finish and trim work • Business must perform strictly interior work and perform no work affecting the structural integrity of the building or foundation • For countertop fabrication without installation, see wood products manufacturers 	263	1799
<p>Door, window or assembled millwork installation</p> <ul style="list-style-type: none"> • Class applies to both metal and wood products • None of the following: <ul style="list-style-type: none"> – Fire door installation – Overhead garage door installation – Siding, roofing or storm shutter installation 	264	1751
<p>Driveways, sidewalks and parking areas</p> <ul style="list-style-type: none"> • Includes curb, sidewalk and blacktop/cement work • Includes painting of parking lot lines • None of the following: <ul style="list-style-type: none"> – Batch plants or production operations – Street, road, culvert or flood channel work 	265	1611

Description	Pac Program Code	Eligible SIC
<p>Electrical, household appliances and equipment installation, service and repair</p> <ul style="list-style-type: none"> • Includes installation of major household appliances such as washers, dryers, vacuum cleaners and televisions, and accessories such as DVD and VCR players • Includes office type machinery installation, service and repair • Includes wiring and installation or repair of electrical fixtures and appliances, and incidental outside work • None of the following: <ul style="list-style-type: none"> – Installation of electrical signals, electrical equipment for industrial use, fiber optics, highway lighting or power lines – Installation of wood, propane/gas, pellet, corn or coal stoves – Installation, service or repair of alarm systems and cable television – LPG sales, installation, service or repair – Programming and/or design of home automation systems 	267	7629
<p>Electrical wiring within buildings</p> <ul style="list-style-type: none"> • Includes wiring and installation or repair of electrical fixtures and appliances, and incidental outside work • None of the following: <ul style="list-style-type: none"> – Installation of electrical signals, electrical equipment for industrial use, fiber optics, highway lighting or power lines – Installation of wood, propane/gas, pellet, corn or coal stoves – Installation, service or repair of alarm systems and cable television – LPG sales, installation, service or repair – Programming and/or design of home automation systems – Work on industrial and/or nuclear processing plants or equipment, amusement facilities or hospitals 	268	1731
<p>Excavation</p> <ul style="list-style-type: none"> • Class contemplates residential excavation only • The insured must use a “call before you dig” service on all jobs 	269	1794
<p>Fence dealers and installers</p> <ul style="list-style-type: none"> • Contemplates “invisible fence” installation • The insured must use a “call before you dig” service on all jobs • None of the following: <ul style="list-style-type: none"> – Electrical fence installation or barb/razor wire fence installation – Guardrail installation or other roadway protective barrier installation – Swing set or playscape installation – Temporary fencing installation 	298	1799
<p>Furniture and fixture installation</p> <ul style="list-style-type: none"> • Cabinet installation must be rated as carpentry – interior (257) 	271	1751
<p>Glaziers</p> <ul style="list-style-type: none"> • For auto glass installation, see Garage PacSM – glass installation (80F) 	272	1793

Description	Pac Program Code	Eligible SIC
<p>Grading of land and site preparation</p> <ul style="list-style-type: none"> • Risks with more than 10% annual receipts from excavation services must be classified as excavation (269) • The insured must use a “call before you dig” service on all jobs 	273	1794
<p>Heating – combined HVAC</p> <ul style="list-style-type: none"> • If product sales without installation exceed 75% of total revenue, see Store Pac or Wholesalers Pac Plus • None of the following: <ul style="list-style-type: none"> – Installation of wood, propane/gas, pellet, corn or coal stoves – Work on industrial and/or nuclear processing plants or equipment, amusement facilities, or hospitals – Any risk whose operations are more than 25% duct cleaning is ineligible 	274	1711
<p>House furnishings installation</p>	275	1751
<p>Iron works – decorative or artistic</p> <ul style="list-style-type: none"> • None of the following: <ul style="list-style-type: none"> – Balconies, handrails, fire escapes or staircases – Structural, protective or barrier work 	276	1799
<p>Irrigation or drainage system construction</p> <ul style="list-style-type: none"> • None of the following: <ul style="list-style-type: none"> – Agricultural irrigation or drainage – Work performed on golf courses or other sporting grounds 	277	1629
<p>Janitorial service</p> <ul style="list-style-type: none"> • Includes cleaning services and light maintenance and repairs • None of the following: <ul style="list-style-type: none"> – Building maintenance services – Chemical cleaning services – Exterior window washing – Mold, lead, asbestos or other environmental remediation – Residential cleaning services or maids – School custodians – Service station cleaning or degreasing – Work on industrial and/or nuclear processing plants or equipment, amusement facilities, or hospitals • For carpet, rug and upholstery cleaning, see carpet, rug and upholstery cleaning (259) • For power washers, see power washers (287) • MP T9 54 - Employee Dishonesty Exclusion is mandatory • Hired and non-owned auto should be covered under a business auto policy due to the amount of vehicle use associated with this class 	29A	7349

Description	Pac Program Code	Eligible SIC
<p>Landscape gardening</p> <ul style="list-style-type: none"> • Risks with more than 10% annual receipts from excavation must be classified as excavation (269) • For power washers, see power washers (287) • None of the following: <ul style="list-style-type: none"> – Tree service, surgery or removal – Work performed on golf courses or other sporting grounds – Herbicide/pesticide application in excess of 25% of total revenues 	278	0781
<p>Lawn and garden sprinkler installation</p> <ul style="list-style-type: none"> • None of the following: <ul style="list-style-type: none"> – Work performed on golf courses or other sporting grounds – Herbicide/pesticide application in excess of 25% of total revenues 	279	1711
<p>Masonry</p> <ul style="list-style-type: none"> • Work affecting the structural integrity of the building or must be classified as concrete construction (262) • No past or present application of Exterior Insulation Finishing Systems (EIFS) or Direct-applied Exterior Finishing Systems (DEFS) 	299	1741
<p>Monument engraving and installation</p>	281	3281
<p>Musical instrument tuning or repair</p>	282	7699
<p>Painting – exterior</p> <ul style="list-style-type: none"> • For risks engaged primarily in power washing, see power washers (287) • None of the following: <ul style="list-style-type: none"> – Painting of oil or gasoline tanks, ship hulls, steel structures or bridges – Sandblasting 	26B	1721
<p>Painting – interior and paperhanging</p>	26C	1721
<p>Plastering or stucco – outside</p> <ul style="list-style-type: none"> • No past or present application of Exterior Insulation Finishing Systems (EIFS) or Direct-applied Exterior Finishing Systems (DEFS) 	285	1742
<p>Plumbing</p> <ul style="list-style-type: none"> • None of the following: <ul style="list-style-type: none"> – Installation of automatic sprinkler protection systems – LPG sales, installation, service or repair – Steam fitting or live steam work – Work on industrial and/or nuclear processing plants or equipment, amusement facilities, or hospitals 	286	1711

Description	Pac Program Code	Eligible SIC
<p>Power washers</p> <ul style="list-style-type: none"> • Class applies to residential operations only • None of the following: <ul style="list-style-type: none"> – Commercial window washing – Equipment sales or servicing – Sandblasting 	287	1799
<p>Refrigeration</p> <ul style="list-style-type: none"> • None of the following: <ul style="list-style-type: none"> – LPG sales, installation, service or repair – Work on industrial and/or nuclear processing plants or equipment, amusement facilities, or hospitals 	288	1711
<p>Septic tank installation, service and repair</p> <ul style="list-style-type: none"> • No septic tank cleaning in excess of 25% of total revenues • The insured must use a “call before you dig” service on all jobs 	289	1711
<p>Sheet metal work</p> <ul style="list-style-type: none"> • No roofing operations 	290	1761
<p>Siding, gutter and downspout installation</p> <ul style="list-style-type: none"> • Wooden siding installation must be classified as carpentry – 1 and 2 family dwellings (256) • No roofing operations 	291	1761
<p>Sign installation and repair</p> <ul style="list-style-type: none"> • Sign painting and lettering must be classified as sign painting and lettering (26A) • None of the following: <ul style="list-style-type: none"> – Risks involving use of cranes and/or rigging – Work on billboards 	296	1799
<p>Sign painting and lettering</p> <ul style="list-style-type: none"> • Sign installation and repair must be classified as sign installation and repair (296) • None of the following: <ul style="list-style-type: none"> – Risks involving use of cranes and/or rigging – Work on billboards 	26A	7389
<p>Subcontracted work</p> <ul style="list-style-type: none"> • This is to be used in addition to the insured’s primary classifications for the insured’s exposure associated with work that is subcontracted to others • Work in connection with building construction, reconstruction, repair or erection • The cost of work subcontracted to others must be less than 25% of total receipts • Subcontractors must not be engaged in any operations designated on the contractors ineligible operations, products or services list 	292	

Description	Pac Program Code	Eligible SIC
Tile and stonework – interior <ul style="list-style-type: none"> No work affecting the structural integrity of the building or foundation 	293	1743
Water softening equipment installation <ul style="list-style-type: none"> Includes service or repair 	294	1711
Well drilling – water <ul style="list-style-type: none"> No testing or sampling of wells (e.g., for toxic chemicals, other minerals, etc.) 	295	1781

Ineligible operations, products or services for contractors

Risks with the following operations should not be written as **Contractors Pac** accounts:

- Advertising sign companies – outdoor
- Airport runway or warming apron – paving or repaving, surfacing, resurfacing or scraping
- Alarms and alarm systems – installation, servicing or repair
- Armed security guards
- Asbestos remediation contractors
- Blasting or demolition operations
- Boiler inspection, installation, cleaning or repair
- Bridge or elevated highway construction
- Building structure – raising or moving
- Businesses with any of the following operations:
 - Deep trenching or tunneling
 - Exterior work over three stories
 - Industrial processing plants or equipment, amusement facilities, hospitals or fire suppressions systems
- Cable installation in conduits or subways
- Caisson or cofferdam work
- Concrete or cement distributing towers – rented to others – installation, repair or removal operations only
- Contractors – subcontracted work:
 - When receipts of work subcontracted to others exceed 25% of total receipts
 - In connection with bridge, tunnel, elevated street or highway construction, reconstruction or repair
 - In connection with building construction, reconstruction, repair or erection – apartment or office buildings over four stories
 - In connection with street or highway construction, or repair, not elevated
 - In connection with oil and gas field construction, reconstruction or repair
 - In connection with any pipeline or communication or power line construction, reconstruction or repair
- Contractors equipment – any type, rented to others with or without operators
- Crop spraying – by contractors
- Dam or reservoir construction
- Debris removal
- Dike, levee or revetment construction
- Drilling – other than water
- Drywall and plastering
- Electric light or power line construction – any type
- Elevator or escalator inspecting, installation, servicing or repair
- Employee leasing or temporary help services
- Environmental remediation contractors
- Exterior Insulation Finishing Systems (EIFS) contractors
- Farm or agricultural operations – any type
- Farm machinery operation – by contractors
- Fire extinguishers or suppression systems
- Fireproofing – structures
- Fire restoration services
- Floor waxing
- Fumigating
- Gas mains or connections construction
- General contractors
- Geophysical exploration – seismic method

Ineligible operations, products or services for contractors

- Handyman operations
- Hazardous material contractors
- Heating or combined heating and air-conditioning equipment – dealers or distributors, no installation, servicing or repair (see **Wholesalers Pac Plus** or **Store Pac**)
- Highway and street lighting installation, service or repair
- Hoists – hydraulic or mechanical
- Insulation work – any type
- Jetty or breakwater construction
- Lead abatement or remediation contractors
- Logging and lumbering
- Machinery or equipment – any type – installation, service or repair
- Metal erection – any type other than purely decorative
- Mold remediation contractors
- Oil or gas wells, rigs, stills – any type of operation
- Painting – exterior of buildings or structures exceeding threestories in height, oil or gasoline tanks, ship hulls, steel structures, or bridges
- Pest control or extermination or fumigating
- Pile driving – any type
- Pipeline construction – any type
- Railroad construction
- Real estate developers
- Rigging – any type
- Roofing – any type
- Salvage operations
- Sand or gravel digging
- Sandblasting
- Sewer or septic tank cleaning
- Ship ceiling or scaling
- Ship repair or conversion
- Snow removal as primary operation
- Tank construction, installation, erection or repair – any type
- Telephone and cellular phone line and tower installation, service or repair
- Tent or canvas goods – erection, removal or repair – away from shop
- Tree trimming/removal
- Underpinning buildings or structures
- Waste hauling
- Waterproofing – any type
- Welding or cutting
- Window cleaning services
- Work on industrial and/or nuclear processing plants or equipment
- Work over three stories in height
- Wrecking or demolition



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