



BUSINESSOWNERS PROGRAM  
THE CUMBERLAND INSURANCE GROUP  
UNDERWRITING GUIDELINES  
CONTRACTORS

**Underwriting Criteria**

- Applicants should be in business for two full years with prior insurance coverage
- Start up businesses (new ventures) will be considered if they have at least three years experience in the type of work described in the application
- Annual payroll not to exceed \$300,000
- Maximum cost of subcontracted work is 25% of the contractor's total annual gross sales
- Subcontractors are hired under a written contract and Certificates of Insurance are required from all subcontractors confirming coverage is in place with limits of insurance equal to the applicant's limit of liability
- Sales unrelated to installation, service or repair cannot exceed 25% of total annual gross sales
- Work is performed in the states of DE, MD, NJ and PA (No work in NY)
- Coastal guidelines apply per state

**Ineligible Exposures**

- Any applicant having had a foreclosure, a judgment, lien, repossession, bankruptcy or filed for bankruptcy during the last (5) years
- Any applicant indicted or convicted of any degree of the crime of fraud, bribery, arson or any other arson-related crime in connection with any property
- Employee leasing
- Renting or Leasing equipment to others
- Applicants that have been operating a business without continuous insurance coverage
- Carpentry contractors who engage in new home construction (Single or Multi Unit Dwellings, Condos, Townhomes), specialize in additions, perform rough carpentry/framing or custom millwork products manufacturing
- General Contractors – defined as a contractor who is responsible for managing an entire project on behalf of the client, rather than just a portion of the project. In addition, a General Contractor hires and coordinates the efforts of subcontractors.
- Contractors who use cranes in their operations
- Contractors who repair, install or service or previously repaired, installed or serviced boilers, burglar alarm systems, automatic fire extinguishing systems, elevators, escalators or computers.
- Contractors with products manufactured or sold under the insured's name
- Contractors who have been cited for health, safety, or pollution violations
- Contractors who engage in or previously engaged in:
  - Demolition, blasting, wrecking, high pressure boiler work or LPG work
  - Lawn chemical spraying operations
  - Hazardous material or pollution abatement operations including but not limited to: Asbestos, Lead and Radon mitigation and testing

- Contractors who engage in:
  - Sales, service or installation of any kind of automatic opening doors or garage doors (residential and commercial)
  - Heavy construction, including but not limited to: Bridge, caisson, cofferdam, dam, dike, dry dock, jetty, levee or pier construction
  - Cable laying and cable installation
  - Crane or derrick installation or rigging
  - Dredging, Drilling, Excavation, Grading of land, Iron or steel erection, Pipeline construction, Sandblasting, Scaffolding, hoists, tower erection or Tunneling
  - Installing, repairing, or servicing hot tubs
  - Ship repair or painting work
  - “Shop – only” carpentry or sheet metal work
  - Installing and repairing swimming pools
  - Landscape Gardening or Lawn Sprinkler Installation
  - Tree service or removal contracting work
  - Waterproofing contracting operations
  - Installing wood and coal stoves
  - Roofing only work
  - Snow plowing or snow and ice removal
  - Debris Removal
  - Installation of Exterior Insulation Finishing Systems (EIFS)
  - Exterior window cleaning or washing
  - Fire or Flood restoration
  - Cleaning Services performed at medical facilities, indoor malls or shopping centers
  - High voltage line work (over 220 volts)
  - Neon sign or laser repair
  - Machinery or auxiliary apparatus installation and repair
  - Exterior painting that includes work such as painting of bridges, steel structures, overpasses, water towers, tanks, smokestacks, factories, etc.
  - Roadwork or perform work on roads, airports or recreational areas such as public basketball courts or playground
- Handyman – defined as an applicant that is not professionally trained or licensed in a particular trade but is in the business of being hired to do a variety of miscellaneous work for others
- Work performed in NY
- Part – time or seasonal operations
- Work performed at a height over three stories
- Cost of subcontracted work exceeding 25% of the annual gross sales

### **Refer to Underwriting for Approval**

- Applicants whose coverage has been declined, cancelled or non renewed during the prior (3) years
- Applicants who have had prior claims within the last three (3) years
- Contractors who engage in or previously engaged in Chimney or fireplace work, retaining walls, or the repair or refurbishing of existing structures
- Contractors requesting Additional Insured’s for Completed Operations
- Contractors working for Local, Regional and National Home builders
- Individual Risk Premium modification in excess of +/- 10%

## **Binding Requirements**

- Signed applications and a minimum deposit premium of 20% within 7 days of the effective date
- Prior carrier loss runs as requested