Business Builders Underwriting Guide

MID-CONTINENT GROUP

Have questions? Want to learn more? Contact us by visiting **mcg-ins.com/contact-us** or scanning the code!

Scope of the Program

The Business Builders program is designed for New Commercial Construction, where our named insured is the General Contractor, using written insured contracts that include proper risk transfer to subcontractors that are adequately insured. Our named insured will build or remodel commercial projects in office, retail, or industrial sectors. They are in the business of building apartments, hotels/motels, manufacturing or assembly plants, retail spaces, and office spaces.

Any risk that does not meet these requirements may still be considered, just outside of this Business Builders program. Always contact your underwriter if you have any questions.

General Underwriting Rules

- Applicant must be domiciled in AL, AR, FL, GA, ID, IN, KS, KY, MD, MO, NC, NE, NM, OH, OK, PA, SC, SD, TN, TX, UT, VA or WY.
- Minimum deductible is $1000 per occurrence property damage.
- Prior to binding, three years hard copy loss runs must be submitted.
- Complete the Agent Portal Business Builder Quote form and submit online with the Acord app or submit the Acord app with the Business Builders Supplemental Application.
- All policies are subject to audit.
- Binding authority is five (5) business days; coverage cannot be backdated more than five (5) business days prior to the date submitted.
- Policies that develop a premium of $10,000 or more are “Refer to Company.”
- Risks that have been written by Mid-Continent previously are “Refer to Company.”
- Risks that have had prior losses are “Refer to Company.”
- On new business, coverage will not be backdated without written confirmation of no known losses from the insured. “Refer to Company.”
- Prior work exclusion will be attached if applicant does not have continuous general liability coverage up to requested effective date of the application.

Eligible Exposures

- General or Paper Contractors
- At least 70% of operation must arise out of commercial construction work.
- Up to 30% of total operations can be residential work.
- Subcontract at least 70% of work to adequately insured subcontractors.
- Minimum prior three years continuous insured experience as a Commercial General Contractor.
- Work on buildings 5 stories or less
- Target is gross annual receipts of $20 million or less. For more than $20 million, “Refer to Company.”

Ineligible Exposures

- Construction or remodel of any structure designed as:
  - residential condominium
  - townhouse, townhome
  - mixed-use building
  - elder care independent living community
  - any building or structure used as the above.
- Construction Managers
  - A Construction or Project Manager is an independent contractor hired by a general contractor or owner to manage a construction project. They are not an employee of the general contractor or engaged in actual construction or the hiring of subcontractors, but whose duties could include scheduling, sequencing, and indirect supervision of subcontractors and their employees.
- General Contractors who do not use adequately insured subcontractors.
  - Adequately insured subcontractors must carry $500,000/$1,000.000 including completed operations.
- General Contractors who do not require a written contract with provisions for naming the General Contractor as additional insured, waiver of subrogation and 30-day notice of cancellation.
- General Contractors involved in any wrap-up projects.

Refer to Company

- For risks exceeding $20,000,000 in gross annual receipts, please contact underwriting.
- Policies that develop a premium of $10,000 or more
- Risks that have been written by Mid-Continent previously
- Risks that have had prior losses
- On new business, coverage will not be backdated without written confirmation of no known losses from the insured.

Classification Codes

Form	Status
991580	Payroll – State limits for Executive officers, owners, or partners & $20,000 for each executive supervisor
991582	Contractors – subcontracted work in connection with buildings over four stories in height
991583	Contractors – subcontracted work in connection with residential
991584	Contractors – subcontracted work in connection with industrial
991585	Contractors – Subcontracted work in connection with office/retail
**	Actual Payroll for employees based on the trade that they are doing (ISO)

Payroll: Included in premium calculations

- Annual payroll subject to state requirements for:
  - Individual owners
  - Partners
  - Executive Officers
  - Members
- Flat payroll amount of $20,000 each
  - Executive Supervisor
- Annual payroll: actual
  - Direct employees
  - Uninsured subcontractors

Rates and Premiums

- Rates will be determined in accordance with the filed rating plan for each state.

Audit Procedures:

- All policies will be audited after the expiration date.
- The insured will need to retain current Certificates of Insurance (COI) for all sub-contracted work and provide the COIs to the auditor.
- If there are differences between the expired term and information obtained from the audit, the underwriter will work with the agent to update the exposure on the renewal term.

GL Limits Offered

- Occurrence Limit $1,000,000
- General Aggregate $2,000,000
- Products & Completed Operations Aggregate $2,000,000 ($3,000,000 available)
- Personal & Advertising Injury (per occurrence) $1,000,000
- Damage to Rented Premises $100,000
- Medical Payments $5,000
- Hired & Non-owned Auto (TX requires separate policy)

Policy Forms and Endorsements

	Form	Status
CG0001	Commercial General Liability	Mandatory
CG2147	Employment-related Practice	Mandatory
CG2154	Exclusion -Designated Ops in a Wrap-up Program	Mandatory
CG2279	Exclusion Contractors Professional	Mandatory
CG 2294	Exclusion - Damage to Your work	Mandatory in FL and MO
IL0017	Common Policy Conditions	Mandatory
IL0021	Nuclear Energy Liability	Mandatory
ML1217	Fungus Mildew & Mold	Mandatory
ML1344	Exclusion – Asbestos	Mandatory
ML1388	Amendatory Endorsement Earth Movement	Mandatory
ML1439	Exclusion – Lead	Mandatory
ML1561	Exclusion – PFAS	Mandatory
ML1581	Designated States Exclusion for residential construction	Mandatory
ML1584	Commercial General Contractor Enhancement	Mandatory
CG2186	Exclusion Exterior Insulation and Finish System	May be attached
CG2426	Amendment of Insured Contract Definition	May be attached
ML1280	Copyright, Patent, Trademark Exclusion	May be attached
ML1392	Water Damage Arising Out of Roofing Operations – Exclusion	May be attached
ML1409	Cross Suits Exclusion	May be attached
ML1438	Commercial Contractor Amendment	May be attached
ML1442	Exclusion – Designated Construction or Use	May be attached

Additional Insureds		Status
CG2010	Additional Insured – Owners, Lessees or Contractors (Schedule/Ongoing Ops)	Available Option
CG2018	Additional Insured – Mortgagee, Assignee or Receiver	Available Option
CG2033	Additional Insured – Owners, Lessees or Contractors (Blanket/Ongoing Ops)	Available Option
CG2037	Additional Insured – Owners, Lessees or Contractors (Schedule/Completed Ops)	Available Option
CG2404	Waiver of Transfer of Rights of Recovery Against Others to Us	Available Option

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