

**PROBUILDERS SPECIALTY INSURANCE COMPANY, RRG, A RISK RETENTION GROUP  
CONTRACTORS APPLICATION – NATIONAL BUILDERS INSURANCE SERVICES, INC.**

1. PRODUCER NAME:											
2. PRODUCER ADDRESS:											
3. PRODUCER TELEPHONE:		4. PRODUCER CONTACT NAME									
5. PRODUCER FAX		6. PRODUCER E-MAIL									
7. APPLICANT NAME											
<input type="checkbox"/>	INDIVIDUAL	<input type="checkbox"/>	PARTNERSHIP	<input type="checkbox"/>	CORPORATION	<input type="checkbox"/>	JOINT VENTURE	<input type="checkbox"/>	LLC	<input type="checkbox"/>	OTHER
8. APPLICANT STREET ADDRESS											
9. CITY				10. STATE		11. ZIP					
12. APPLICANT MAILING ADDRESS											
13. CITY				14. STATE		15. ZIP					
16. PHONE NUMBER				17. INSPECTION CONTACT NAME:							
18. YEARS IN BUSINESS UNDER CURRENT NAME		YEARS		19. TOTAL YEARS EXPERIENCE AS A CONTRACTOR		YEARS					
20. CONTRACTOR LICENSE NUMBER (S)		21. LICENSED STATE (S)		22. TAX ID NUMBER							
23. PROPOSED POLICY EFFECTIVE DATE		24. REQUESTED PER OCCUR. LIMIT		\$		25. REQUESTED AGGREGATE LIMIT		\$		26. REQUESTED PER CLAIM DEDUCTIBLE	
27. DESCRIPTION OF YOUR OPERATIONS											

EXPLAIN ALL "YES" RESPONSES IN REMARKS

28. HAVE YOU PERFORMED IN THE PREVIOUS THREE (3) YEARS, OR PLAN TO PERFORM IN THE NEXT YEAR, ANY OF THE FOLLOWING:

	YES	NO		YES	NO		YES	NO		YES	NO
A. AIRPORT WORK	<input type="checkbox"/>	<input type="checkbox"/>	F. DAMS, LEVEES OR BRIDGES	<input type="checkbox"/>	<input type="checkbox"/>	K. OIL LEASE WORK	<input type="checkbox"/>	<input type="checkbox"/>	O. TOWNHOUSES	<input type="checkbox"/>	<input type="checkbox"/>
B. ASBESTOS ABATEMENT	<input type="checkbox"/>	<input type="checkbox"/>	G. DEMOLITION XS 3 STORIES	<input type="checkbox"/>	<input type="checkbox"/>	L. RAILROADS	<input type="checkbox"/>	<input type="checkbox"/>	P. TRAFFIC SIGNALS	<input type="checkbox"/>	<input type="checkbox"/>
C. BLASTING OPERATIONS	<input type="checkbox"/>	<input type="checkbox"/>	H. EARTHQUAKE RETROFIT	<input type="checkbox"/>	<input type="checkbox"/>	M. SCAFFOLDING ERECTION	<input type="checkbox"/>	<input type="checkbox"/>	Q. TUNNELING	<input type="checkbox"/>	<input type="checkbox"/>
D. CHEMICAL SPRAYING	<input type="checkbox"/>	<input type="checkbox"/>	I. EMPLOYEE LEASING	<input type="checkbox"/>	<input type="checkbox"/>	N. SWIMMING POOLS	<input type="checkbox"/>	<input type="checkbox"/>	R. WRAP UPS OR OCIPS	<input type="checkbox"/>	<input type="checkbox"/>
E. CONDOMINIUMS	<input type="checkbox"/>	<input type="checkbox"/>	J. EXTERMINATION	<input type="checkbox"/>	<input type="checkbox"/>						

REMARKS:

**PROBUILDERS SPECIALTY INSURANCE COMPANY, RRG, A RISK RETENTION GROUP  
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**NEXT 12 MONTHS - TYPE OF WORK PERFORMED:**

29. PERCENTAGE OF WORK PERFORMED = 100%	RESIDENTIAL	%	COMMERCIAL	%
30. PERCENTAGE OF WORK PERFORMED = 100%	GENERAL CONTRACTOR	%	SUBCONTRACTOR	%
31. PERCENTAGE OF WORK PERFORMED = 100%	NEW CONSTRUCTION	%	OTHER	%

**NEXT 12 MONTHS - TYPE OF HOMES TO BE BUILT OR WORKED ON - TRACT OR CUSTOM HOMES – TRACT SIZE:**

32. IN THE NEXT 12 MONTHS WHAT % OF YOUR RESIDENTIAL CONSTRUCTION WORK WILL BE ON	CUSTOM HOMES	%	TRACT HOMES - 2 TO 10 HOMES	%	TRACT HOMES - 11 TO 50 HOMES	%	TRACT HOMES - MORE THAN 50 HOMES	%
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**LAST YEAR - TYPE OF HOMES BUILT OR WORKED ON - TRACT OR CUSTOM HOMES - TRACT SIZE:**

33. IN THE PAST 12 MONTHS WHAT % OF YOUR RESIDENTIAL CONSTRUCTION WORK WAS ON	CUSTOM HOMES	%	TRACT HOMES - 2 TO 10 HOMES	%	TRACT HOMES - 11 TO 50 HOMES	%	TRACT HOMES - MORE THAN 50 HOMES	%
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**FINANCIAL INFORMATION:**

PERIOD	34. YEAR	35. # OF HOMES COMPLETED	36. # OF HOMES WORKED ON	37. GROSS RECEIPTS	38. SUBCONTRACTING COSTS	39. GROSS PAYROLL
A. NEXT 12 MONTHS				\$	\$	\$
B. CURRENT YEAR				\$	\$	\$
C. 1 <sup>st</sup> PRIOR YEAR				\$	\$	\$
D. 2 <sup>nd</sup> PRIOR YEAR				\$	\$	\$

**PRIOR INSURANCE COMPANY INFORMATION:**

PERIOD	40. POLICY PERIOD	41. INSURANCE COMPANY	42. POLICY NUMBER	43. POLICY PREMIUM	44. POLICY RATE	45. POLICY LIMIT	46. POLICY DED.
A. CURRENT YEAR				\$	\$	\$	\$
B. 1 <sup>st</sup> PRIOR YEAR				\$	\$	\$	\$
C. 2 <sup>nd</sup> PRIOR YR.				\$	\$	\$	\$

**EXPLAIN ALL "YES" RESPONSES IN REMARKS – NEXT PAGE (FOR PAST, PRESENT OR PLANNED FUTURE OPERATIONS):**

#	QUESTIONS	YES	NO	#	QUESTIONS	YES	NO
47.	DOES APPLICANT LEASE EQUIPMENT TO OTHERS?	<input type="checkbox"/>	<input type="checkbox"/>	48.	HAS APPLICANT ALLOWED OR WILL YOU ALLOW YOUR LICENSE TO BE USED BY ANY OTHER CONTRACTOR?	<input type="checkbox"/>	<input type="checkbox"/>
49.	DOES APPLICANT HAVE ANY OPERATIONS OTHER THAN CONTRACTING?	<input type="checkbox"/>	<input type="checkbox"/>	50.	HAS APPLICANT EVER BEEN ADJUDGED BANKRUPT OR INSOLVENT?	<input type="checkbox"/>	<input type="checkbox"/>
51.	HAS THE APPLICANT EVER BEEN REFUSED A PERFORMANCE BOND OR HAD LIABILITY INSURANCE CANCELLED.	<input type="checkbox"/>	<input type="checkbox"/>	52.	HAS APPLICANT WORKED OR WILL YOU OR YOUR EMPLOYEES WORK UNDER THE USL&H ACT OR THE JONES ACT (MARITIME WORK)?	<input type="checkbox"/>	<input type="checkbox"/>

**EXPLAIN ALL "NO" RESPONSES IN REMARKS:**

53.	DOES APPLICANT ALWAYS CHECK WITH LOCAL UTILITIES AUTHORITY BEFORE DIGGING?	<input type="checkbox"/>	<input type="checkbox"/>	54.	DOES THE APPLICANT CARRY WORKERS COMPENSATION ON ALL OF ITS EMPLOYEES?	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS (ATTACH SHEET (S) IF NECESSARY)

**PROBUILDERS SPECIALTY INSURANCE COMPANY, RRG, A RISK RETENTION GROUP  
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PLEASE PROVIDE ANSWERS TO THE FOLLOWING QUESTIONS:

#	QUESTION	ANSWER	#	QUESTION	ANSWER
55.	HOW MANY HOMES WILL APPLICANT BUILD AS A GENERAL CONTRACTOR IN THE NEXT YEAR?		56.	WHAT IS THE MAXIMUM NUMBER OF STORIES OF A STRUCTURE THE APPLICANT WILL WORK ON IN THE NEXT YEAR?	
57.	WHAT IS THE GREATEST NUMBER OF HOMES THE APPLICANT HAS BUILT AS A GENERAL CONTRACTOR IN ANY ONE YEAR (LAST 3 YEARS)?		58.	STATES IN WHICH THE APPLICANT HAS OR WILL PERFORM CONTRACTING WORK (LAST 3 YEARS AND NEXT YEAR).	

PLEASE LIST YOUR THREE LARGEST JOBS IN THE LAST THREE YEARS:

	59. PROJECT NAME	60. PROJECT TYPE	61. NATURE OF WORK	62. GROSS RECEIPTS
A				\$
B				\$
C				\$

PLEASE LIST THREE LARGEST PROJECTS THAT YOU ARE CURRENTLY WORKING ON OR WILL COMMENCE IN THE NEXT 12 MONTHS:

	63. PROJECT NAME	64. PROJECT TYPE	65. NATURE OF WORK	66. GROSS RECEIPTS
A				\$
B				\$
C				\$

REGARDING SUBCONTRACTORS WHO DO WORK FOR APPLICANT. (QUESTIONS 67, 68, 70 & 71 ARE CONDITIONS OF ANY POLICY THE COMPANY MAY ISSUE AND MUST BE COMPLIED WITH:)

#	QUESTIONS	YES	NO
67.	DOES APPLICANT HAVE A WRITTEN CONTRACT WITH ITS SUBCONTRACTORS WHICH INCLUDES A HOLD HARMLESS AGREEMENT RELATIVE TO WORK PERFORMED BY THE SUBCONTRACTOR?	<input type="checkbox"/>	<input type="checkbox"/>
68.	ARE YOU NAMED AS AN ADDITIONAL INSURED ON YOUR SUBCONTRACTORS' POLICIES?	<input type="checkbox"/>	<input type="checkbox"/>
69.	DOES APPLICANT HOLD OTHERS HARMLESS AND/OR ARE YOU REQUIRED TO PROVIDE ADDITIONAL INSURED ENDORSEMENTS FOR OTHERS?	<input type="checkbox"/>	<input type="checkbox"/>
70.	ARE YOUR SUBCONTRACTORS REQUIRED TO PROVIDE YOU WITH A CERTIFICATE OF INSURANCE BEFORE COMMENCING WORK?	<input type="checkbox"/>	<input type="checkbox"/>
71.	DOES APPLICANT REQUIRE SUBCONTRACTORS WHO DO WORK FOR THE APPLICANT TO MAINTAIN LIMITS OF LIABILITY OF AT LEAST \$1,000,000 PER OCCURRENCE?	<input type="checkbox"/>	<input type="checkbox"/>

LOSS AND CLAIM INFORMATION (5 YEARS):

PERIOD	72. YEAR	73. TOTAL LOSSES	74. # OF CLAIMS	75. LARGEST LOSS	76. CAUSE OF LARGEST LOSS
A. CURRENT YEAR		\$		\$	
B. 1 <sup>ST</sup> PRIOR YEAR		\$		\$	
C. 2 <sup>ND</sup> PRIOR YEAR		\$		\$	
D. 3 <sup>RD</sup> PRIOR YEAR		\$		\$	
E. 4 <sup>TH</sup> PRIOR YEAR		\$		\$	

**PROBUILDERS SPECIALTY INSURANCE COMPANY, RRG, A RISK RETENTION GROUP  
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ARE YOU AWARE OF ANY FACTS, CIRCUMSTANCES, INCIDENTS, SITUATIONS, DAMAGES OR ACCIDENTS THAT MAY GIVE RISE TO A CLAIM OR LAWSUIT (WHETHER VALID OR NOT OR WHETHER COVERED BY INSURANCE OR NOT)? - ANSWER YES OR NO: Yes  No  IF YES PLEASE COMPLETE THE FOLLOWING:

	77. PROJECT NAME	78. PROJECT TYPE	79. NATURE OF YOUR WORK	80. CLAIMED DAMAGES
A				\$
B				\$
C				\$
D				\$
E				\$

#	QUESTIONS	YES	NO
81.	HAS ANY LOCAL, STATE OR FEDERAL GOVERNMENT AGENCY OR LICENSING BOARD CITED YOU FOR VIOLATION OF ANY LAW OR REGULATION OR INVESTIGATED YOU IN THE PAST FIVE YEARS?	<input type="checkbox"/>	<input type="checkbox"/>
82.	WITHIN THE LAST FIVE YEARS HAVE YOU BEEN NAMED IN LITIGATION REGARDING FAULTY CONSTRUCTION?	<input type="checkbox"/>	<input type="checkbox"/>
83.	WITHIN THE LAST FIVE YEARS, HAS ANY PERSON OR ENTITY DEMANDED THAT YOU DEFEND THEM, OR HOLD THEM HARMLESS, IN ANY CLAIM OR LAWSUIT?	<input type="checkbox"/>	<input type="checkbox"/>
84.	WITHIN THE LAST FIVE YEARS HAS ANY LAWSUIT BEEN FILED, OR CLAIM OTHERWISE BEEN MADE, AGAINST YOU OR YOUR COMPANY OR ANY PARTNERSHIP OR JOINT VENTURE OF WHICH YOU HAVE BEEN A MEMBER, OR YOUR COMPANY'S PREDECESSORS IN BUSINESS, OR AGAINST ANY PERSON, COMPANY OR ENTITIES ON WHOSE BEHALF YOUR COMPANY HAS ASSUMED LIABILITY? FOR THE PURPOSES OF THIS APPLICATION ONLY, A CLAIM OR LAWSUIT MEANS A RECEIPT OF A DEMAND FOR MONEY, SERVICES, ARBITRATION OR MEDIATION.	<input type="checkbox"/>	<input type="checkbox"/>

IF APPLICANT ANSWERED QUESTIONS 81, 82, 83 OR 84 WITH A YES, PLEASE PROVIDE THE FOLLOWING INFORMATION FOR EACH CLAIM AND OR LAWSUIT:

	85. PROJECT NAME	86. PROJECT TYPE	87. NATURE OF YOUR WORK	88. CLAIMED DAMAGES
A				\$
B				\$
C				\$
D				\$
E				\$

REMARKS:

89.	BLANKET ADDITIONAL INSURANCE COVERAGE	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	90.	BLANKET WAIVER OF SUBROGATION	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
91.	SUNSET CLAUSE LIMITATION	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	92.	PREMIUM FINANCING	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO

**ROOFERS APPLICATION SECTION**

**THIS SECTION OF THE APPLICATION MUST BE COMPLETED BY ALL COMMERCIAL AND RESIDENTIAL ROOFERS AND ALL OTHER CLASSES OF CONTRACTORS THAT HAVE A ROOFING EXPOSURE.**

PLEASE ANSWER THE FOLLOWING QUESTIONS:

<b>93. CHECK THE TYPE OF ROOFING OPERATIONS PERFORMED AND PROVIDE THE PERCENTAGE FOR EACH TYPE</b>									
<input type="checkbox"/>	A. HOT TAR	%	<input type="checkbox"/>	B. FOAM	%	<input type="checkbox"/>	C. TILE	%	
<input type="checkbox"/>	D. TORCH DOWN	%	<input type="checkbox"/>	E. SHINGLES	%	<input type="checkbox"/>	F. METAL	%	
<input type="checkbox"/>	G. OTHER	%	G1. IF OTHER: DESCRIBE						

<b>94. QUESTIONS FOR HOT TAR AND TORCH DOWN WORK:</b>	YES	NO
A. DOES THE APPLICANT HAVE AT LEAST 2 YEARS' EXPERIENCE WITH THESE METHODS?	<input type="checkbox"/>	<input type="checkbox"/>
B. IS A FULLY CHARGED ABC FIRE EXTINGUISHER ON THE ROOF WHILE WORK IS BEING DONE?	<input type="checkbox"/>	<input type="checkbox"/>
C. DOES THE APPLICANT REMAIN ON SITE FOR AT LEAST TWO HOURS AFTER WORK COMPLETION?	<input type="checkbox"/>	<input type="checkbox"/>
D. DOES THE APPLICANT USE A THERMAL BARRIER WHEN INSTALLING TORCH APPLIED ROOFING MATERIALS OVER A COMBUSTIBLE BASE?	<input type="checkbox"/>	<input type="checkbox"/>

<b>95. DESCRIBE THE TRAINING THAT YOUR APPLICATORS HAVE RECEIVED IN WORKING WITH OPEN FLAME AND/OR HOT TAR PRODUCTS.</b>

<b>96. CHECK IN WHAT MANNER OPENINGS IN ROOFS ARE PROTECTED?</b>							
<input type="checkbox"/>	A. TARP	<input type="checkbox"/>	B. WATERPROOF PLYWOOD	<input type="checkbox"/>	C. NEVER LEAVE OPEN	<input type="checkbox"/>	D. OTHER
D1. IF OTHER: DESCRIBE							

**PROBUILDERS SPECIALTY INSURANCE COMPANY, RRG, A RISK RETENTION GROUP**  
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**ATTENTION:**

1. THE APPLICANT WARRANTS THAT THE ABOVE STATEMENTS AND PARTICULARS, TOGETHER WITH ANY ATTACHED OR APPENDED DOCUMENTS OR MATERIALS ("THIS APPLICATION"), ARE TRUE AND COMPLETE AND DO NOT MISREPRESENT, MISSTATE OR OMIT ANY MATERIAL FACTS.
2. THE APPLICANT UNDERSTANDS THAT THE COMPANY RELIED UPON THE INFORMATION CONTAINED WITHIN THIS APPLICATION TO DETERMINE ACCEPTABILITY, RATES AND COVERAGE.
3. THE APPLICANT UNDERSTANDS THAT ANY MISREPRESENTATION OR OMISSION SHALL CONSTITUTE GROUNDS FOR RECISSION OF COVERAGE AND DENIAL OF CLAIMS.
4. THE APPLICANT UNDERSTANDS THE COMPANY IS NOT OBLIGATED NOR UNDER ANY DUTY TO ISSUE A POLICY OF INSURANCE BASED UPON THIS APPLICATION. THE APPLICANT FURTHER UNDERSTANDS THAT, IF A POLICY IS ISSUED, THIS APPLICATION WILL BE INCORPORATED INTO AND FORM A PART OF SUCH POLICY.
5. IF THE APPLICANT BECOMES AWARE THAT ANY RESPONSE ON THIS APPLICATION BECOMES INACCURATE AS A RESULT OF INFORMATION OR CHANGE OF CIRCUMSTANCES BEFORE A POLICY IS ISSUED, THE APPLICANT MUST INFORM THE COMPANY OF SUCH CHANGE, IN WRITING, AND ANY POLICY ISSUED BEFORE SUCH NOTIFICATION IS SUBJECT TO IMMEDIATE CANCELLATION.
6. THE APPLICANT AUTHORIZES THE COMPANY TO MAKE ANY INVESTIGATION AND INQUIRY IN CONNECTION WITH THE QUESTIONNAIRE AS IT MAY DEEM NECESSARY.

THE UNDERSIGNED, BEING AUTHORIZED BY AND ACTING ON BEHALF OF THE PROSPECTIVE INSURED, REPRESENTS THAT THE ANSWERS GIVEN ARE TRUE. FAILURE TO PROVIDE TRUTHFUL ANSWERS AND ALL MATERIAL INFORMATION CAN RESULT IN THE COMPANY ELECTING TO CANCEL, REFORM AND/OR RESCIND THE POLICY.

("APPLICANT", "YOU", "YOUR" AND SIMILAR WORDS REFER TO THE PROSPECTIVE INSURED)

NOTICE: A POLICY ISSUED BASED ON THIS APPLICATION WOULD BE ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

THE TERMS, CONDITIONS AND EXCLUSIONS CONTAINED IN POLICIES ISSUED BY THE COMPANY VARY SIGNIFICANTLY FROM THOSE CONTAINED IN MANY OTHER LIABILITY INSURANCE POLICIES. THE POLICY FORM ISSUED BY THE COMPANY PROVIDES COVERAGE THAT MAY BE MORE LIMITED THAN THAT AVAILABLE UNDER THE "ISO" INSURANCE POLICY OR SIMILAR TYPES OF POLICIES. YOU SHOULD CAREFULLY REVIEW THE ENTIRE POLICY WITH YOUR AGENT, LEGAL COUNSEL OR OTHER INSURANCE PROFESSIONAL TO MAKE SURE THAT YOU UNDERSTAND THE COVERAGE IT PROVIDES, AND YOUR RIGHTS AND OBLIGATIONS UNDER THE POLICY.

SIGNATURE OF APPLICANT: \_\_\_\_\_ DATE: \_\_\_\_\_

TITLE (OFFICER, PARTNER OR OWNER): \_\_\_\_\_

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

## **PRO BUILDERS SPECIALITY INSURANCE COMPANY RRG**

A Risk Retention Group operates under the Federal Liability Risk Retention Act and is regulated according to that act. The authority to regulate Risk Retention Groups is granted to the state of domicile of the Risk Retention Group. Builders and Contractors Insurance Company is domiciled in Nevada.

A Risk Retention Group is similar to a nonadmitted carrier, though it does not pay surplus lines stamping fees and does not file documentation with surplus lines association. The RRG is also free from any rate and form filings and there is no requirement that you obtain any declinations from an admitted carrier. The RRG is not Best Rated, but a risk retention group cannot be legally discriminated against on the basis of state financial responsibility law, so the RRG will be a good market for many contractor risks. The program will be very similar to the old program with United Capitol.

### **What is the Liability Risk Retention Act?**

The Liability Risk Retention Act (LRRRA) is a federal law, passed by Congress in 1986, to help businesses, professionals, and municipalities obtain liability insurance, which had become either unaffordable or unavailable due to the "liability crisis" in the United States.

### **What is a risk retention group?**

A risk retention group (RRG) is a liability insurance company that is owned by its members. As insurance companies, RRGs issue policies and retain risk.

### **How is an RRG capitalized?**

RRGs require members to capitalize the company.

### **Who can be a member of an RRG?**

The LRRRA requires that members be homogeneous, i.e. engaged in similar businesses or activities that expose them to similar liabilities.

### **What kinds of insurance coverage do risk retention groups provide?**

"Liability coverage" which includes all types of third party liability, such as general liability, errors and omissions, directors and officers, medical malpractice, professional liability and products liability. The LRRRA does not extend to workers compensation, property insurance, or personal insurance, such as homeowners or personal auto.

### **What are the advantages of risk retention groups?**

The key advantages relate to the control. This control often translates into lower rates and broader coverage. Member/insureds may also enjoy better loss control and risk management programs, share access to reinsurance markets, market stability and may participate in underwriting profits.

### **How many risk retention groups are there?**

According to the Risk Retention Reporter, there are approximately 70 risk retention groups operating in the United States (year end 2001).

### **How much premium do risk retention groups generate?**

According to surveys conducted by the Risk Retention Reporter, RRG annual premium in 2001 was estimated to be \$895 million.

### **Who forms risk retention groups?**

RRGs are often formed from trade and professional associations, which sponsor for the RRG liability insurance program.

### **Who regulates risk retention groups?**

The state in which the RRG is domiciled has primary regulatory authority. Although the LRRRA is a federal law, it has no enforcement mechanism of its own.

Builders & Contractors Insurance Company, RRG, is domiciled in the State of Nevada and is regulated by the Nevada Department of Insurance. Builders & Contractors is a non-assessable stock Nevada association captive insurance company operating under the Federal Liability Risk Retention Act.

### **Definition**

Authorized by the Federal Liability Risk Retention Act of 1986, Risk Retention Groups are insurance companies whose members/insureds engage in similar or related business activities

### **Advantages**

- Single state filing and licensing requirements.
- Member control over risk and litigation management issues.
- Stable market for coverage and rates.
- Elimination of market residuals.
- Exemption from countersignature laws for agents and brokers.
- No expense for fronting fees.
- Unbundling of services.



**Disadvantages:**

- Risks are limited to liability insurance.
- Not permitted to write unrelated business.
- No guaranty fund applicable.
- May not satisfy proof of financial responsibility laws.

## **GUIDELINES – CONTRACTORS LIABILITY PROGRAM**

Issuing Carrier:	Pro Builders Specialty Insurance Company RRG A Risk Retention Group
Best Rating:	None, new entity
Risks Insured:	Contractors, including General Contractors and subcontractors
Company Fee:	\$350
Premium Taxes:	2.35%

### **Program Highlights**

Residential and Commercial Contractors are eligible. There are no restrictions on tract homes or tract size. There is no restriction on the amount of work sub-contracted.

### **Coverage**

WESTCAP 2002 occurrence form Comprehensive General Liability including Products and Completed Operations.

### **Program Features**

Limits: \$1 million per occurrence/\$1 million general aggregate. 2 million general aggregate available on some accounts  
Deductible: \$3,500 ( \$5000 for Roofing Accounts) per claim Bodily Injury and Property damage, Loss and Loss Expense  
Minimum Premium: \$6500 with sunset clause ( \$10000 for Roofing Accounts with the Sunset Clause. Full Occurrence is not available for Roofers). There is a small Contractors Program with \$3100 Minimum Premium with Sunset Clause.  
Minimum Earned Premium: 25%  
Rating Basis: Receipts  
Maximum Policy Term: One year

### **Subscription Fee**

A risk retention group is owned by its insureds. To be insured by the group, an insured must be a shareholder of the RRG. The subscription fee for shares is equal to 10% of the premium and is payable at the time the insurance is bound. The shares are subject to a separate Subscription and Shareholders Agreement and generally are redeemable after termination of the insured's policy in accordance with the Agreement.

### **Application**

To bind must have a signed (by the insured) ProBuilders Application.

and a signed and initialed Subscription Agreement

**Key Exclusions**

Montrose  
Condo & Townhouses  
Asbestos, Mold, Lead and Formaldehyde  
Action-Over  
Punitive Damages  
Subsidence  
E.I.F.S. (synthetic stucco, etc.)

Chromated Copper Arsenate  
Projects completed prior to the policy inception date are not covered unless declared. An additional premium will be charged based on the exposure and the project to be covered must be specifically endorsed onto the policy.

**Ineligible Risks**

Condo and Townhouses  
Airport Contractors  
Blasting Operations  
Contract Laborers  
Dam or Levee Construction  
Demolition of Buildings (in excess of 3 stories)  
Earthquake Retrofit Contractors  
Exterminators/Fumigators  
Explosives Contractors  
Landscapers with Spraying Exposures  
Oil Lease Contractors  
Scaffolding or Scaffolding Erection  
Swimming Pool Contractors (above or below ground)  
Traffic Signal Installation or Repair  
Tunneling

To Obtain a Quote:

We must have the completed, and signed Pro Builders Application, including the Roofer Supplement ( if insured is not a roofer, mark N/A ).

For All Contractors other than Roofers and Plumbers: A minimum of \$150,000 ( lower minimum for small contractors program ) in Gross Receipts and three to five years hard copy Loss Runs. For companies who are out of business (i.e. Credit General, Reliance, Legion ) a No Known Loss Letter will be acceptable. New Ventures will be looked at on account by account basis, and will be surcharged 25% and have a mandatory sunset clause. We will also need a resume of the insured's experience. For Insureds who have been in business without insurance coverage we will need a No Known Loss Letter and Resume of their experience.

Roofers: They must have been in business for at least three years, and we will require three years Loss Runs. Up to a six month lapse in coverage may be acceptable. With a Known Loss Letter New ventures, and insured with no prior insurance coverage are not acceptable. The sunset clause is mandatory. Roofers must have a minimum of \$150,000 in Gross Receipts. Renewals with less than three years in business and under \$150,000 receipts will be considered on their own merit.

Plumbers: We must have 5 years in business and we will need 5 years Hard Copy Loss. The sunset Clause is Mandatory. There must be a minimum of \$150,000 in Gross Receipts.

**Terms & Conditions:**

- There will be a Torch Work Exclusion ( Hot Tar is included ) on all Roofing Accounts There is a course of Roofing Endorsement.
- There is a Two Year or Three Yeat Sunset Clause, however, these clause ar optional and maybe removed for an additional 15% of premium.
- A Blanket Additional Insured Endorsement is included in all quotes, if the insured does not want this option, there would be a 15% reduction in premium. However, individual Additional Insured Endorsements are not available.
- Primary and Non Contributory wording is not available
- Waiver of Subrogation, when provided, increases the premium by 10%

We cannot bind until the Company Application, Supplement and Subscription Agreemen completed and signed by the insured.