

Electrical Contractors Program (ECP)



Agent's Kit

Association Information

The Independent Electrical Contractors, Inc. (IEC) is made up of 3,600 merit-shop electrical contractors.

Industry Profile

The U. S. electrical contracting industry has been growing faster than other types of construction contracting. It is composed of about 60,000 firms, the vast majority of which are small, privately held companies. Approximately 15% of these firms are union shops. The industry employs about 800,000 people, most of whom are production workers: foreman, journeyman, apprentices & helpers.

The commercial property/casualty insurance market is approximately \$1.3 Billion. Average account size is approximately \$38,000.

Emerging Trends

Voice/Data/Video (VDV): A trend driving the EC industry is an increased amount of "systems" work, including voice-and-data work. Electrical contractors are increasingly venturing into "non-traditional" electrical work.

This "limited energy systems" work includes:

- communications (also known as voice-data, telecom, networking, fiber optics)
- fire alarms and life safety alarms, including burglar alarms
- automatic building controls
- industrial controls

Sales Tip: VDV work is eligible in the Electrical Contractors Program.

Utility Deregulation: Deregulation is pushing utilities into other revenue sources. The mechanical construction trade business is almost a natural. Utilities can market their services directly to the consumer and bill customers in monthly installments. Utilities are entering this marketplace in two ways: acquiring existing contractors or partnering with existing contractors and subcontracting the business to them.

Design-Build: Keeping pace with the recent trend of design-build project delivery systems, electrical contracting firms have the opportunity to act as prime contractors in designing and constructing the electrical, data, and communication systems for an owner.

Workforce Issues: The EC industry is also impacted by a shortage of qualified production employees. Both sponsoring associations have initiatives in place to address training and apprentice programs.

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Program Eligibility

This program is designed to attract electrical and data communication contractors of all sizes engaged in residential, industrial, institutional and commercial installation, service and repair. The risk must meet the following eligibility criteria before you may quote, bind or write it in this program.

Operations

Seventy five percent (75%) or more of the payroll or sales must be derived from the following operations:

- Electrical wiring work within residential, commercial, industrial or institutional buildings
- Conduit construction work, service and repair, including traffic or railway signals and airport construction (including runways)
- Low-voltage voice, data, and video (VDV) wiring and installation
- Electrical apparatus (including high voltage) work at commercial, industrial or institutional locations; examples of work performed may include heavy motors, generators, converters, transformers, compressors and power switchboards
- Alarm line construction, installation, service or repair

In addition, the risk must exhibit an acceptable loss history, financial and ownership stability and adhere to loss prevention and safety practices. Any risk involved in excavation work must communicate with the One-Call Service Center and area utility owners that are not members of the One-Call Service Center prior to all scheduled excavations.

The Following Require Discussion With Underwriter

- Airport construction work requiring the use of vehicles within 100 feet of active aircraft OR any operations involving work on supply cables for runway lights, control towers, air traffic control facilities, communication facilities or radar.
- Any work within hospitals. Electrical contractors may provide electrical service to hospital equipment; however they should not be doing any diagnostic testing other than testing the electrical connections for proper voltage, amperage and grounding.
- If hospital work has ever been completed by the Insured, even though Insured may no longer engage in hospital work at the present time, a referral is necessary in consideration of the GL and CUP.
- Elevator work. Passenger/freight elevator electrical service work is acceptable.

Ineligible Operations

Work in any of the following extra hazardous operations and/or locations:

- Asbestos abatement
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- Satellite Dish Installation on towers
- Sign erection contractors (Electrical service is acceptable.)
- Tower and antenna erection
- Dam, river or underwater locale electrical work
- Transmission and distribution high voltage line work
- Electrical utility company work
- Electrical Contractors Class Program (ECCP)
- Electrical work in explosive environments (Class I, II, & III, Division I), including but not limited to; nuclear, petrochemical, oil/gas refinery works, grain processing/elevator
- Selling, designing or monitoring of alarm or security systems (Security/Alarm firms)

Special Coverages Available

General Liability

- \$1,000,000 Per Occurrence
- \$2,000,000 Aggregate
- \$2,000,000 Products/Completed Ops Aggregate*
- \$100,000 Fire Damage Legal Liability
- \$2,500 Minimum Property Damage Deductible, Per Occurrence

**Limits may vary by state. Contact your underwriter for specifics.*

Umbrella

Up to \$25,000,000 available; submit completed Acord Umbrella application for quote. (Not available on a stand-alone basis.)

Underlying Requirements

- A.M. Best rating A-VII or higher
- Minimum underlying limit requirements:
 - GL: \$1,000,000/\$1,000,000/\$1,000,000;
\$1,000,000/\$2,000,000/\$2,000,000 **preferred**
 - AL: \$1,000,000 CSL
 - EL: \$500,000/\$500,000/\$500,000

SUBMISSION REQUIREMENTS

- Acord Application
- CIS Supplemental Application signed by Insured and Agent
- Loss runs – 5 years currently valued and details of losses over \$10,000
- Expiring declarations page and rating worksheet pages
- Two years of prior job lists and/or certificate holder list
- 5 years premium, payroll, receipts
- Employers Liability
 - 5 years hard copy loss data
 - W.C. – Mod
 - Total number of employees
 - Total number of employees ever in one place at one time
- Auto
 - 5 years hard copy loss data
 - 5 years incurred loss ratio