

Landscape Contractors Program (LCP)



Agent's Kit

Industry Profile

The "Green Industry" market is booming. Industry growth continues to significantly outpace the growth of the overall economy, which has been between 3.4 percent and 5.1 percent annually over the last five years. This industry is composed of about 100,000 firms. Revenues in 1998 were \$60 billion. The industry employs about 900,000 people.

Emerging Trends

Employee turnover will always be a topic for this industry. Many companies find various ways to overcome the obstacles of having to constantly train new employees. The latest increase in minimum wage has hurt some employers who pay slightly higher to keep good employees.

The latest issue is that of consolidation. Large landscape contracting companies are in the purchasing mode.

Snowplowing is also an issue within this industry. Profit margins are very high when there is snow to be plowed. We expect snowplowing to be a part of landscape contractors operations in snow states.

Program Eligibility

This program is designed to attract accounts in the "Green Industry" of all sizes in residential and commercial installation, service and repair and retail operations.

Operations

Seventy five percent (75%) or more of payroll or sales either singly or in combination from the following operations:

- Landscape contracting
- Selling plants, trees, shrubs, or sod
- Growing plants, trees, shrubs, or sod
- Lawn care operations including risks involved in application of herbicide/pesticide/fertilizers
- Installation of underground lawn sprinklers
- Selling garden supplies
- Interiorscape contracting
- Tree/shrub pruning, spraying/dusting, repairing, trimming, removal (including stump removal) or fumigating

Operations subject to discussion with Home Office Branch Business Underwriter:

- Any risk (new or renewal) with more than 40% of their operations involved in chemical application
- Any risk involved in utility line clearance/maintenance work

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Ineligible Operations

Risks falling into any of these categories are ineligible for entry into the program:

- Equipment rental or leasing (power or otherwise - with or without operators) to others exceeding 10% of total receipts
- Installation of automatic sprinkler systems for indoor use
- Snow removal operations exceeding 20% of receipts
- Aircraft spraying of any kind
- Agricultural crop spraying
- Logging
- Utility line clearance/maintenance work when less than 50% of total operations

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