

Sheet Metal, Mechanical, Air Conditioning and Plumbing Contractors Program (SMAP)

Agent's Kit

Industry Profile

Plumbing, heating, and air-conditioning contractors in all markets, including residential and repair, make up the largest segment of the specialty contractor market in the U. S., with 84,876 contractors doing \$87.4 billion in business. This includes about 17,000 contractors who do over \$1 million in business.

Emerging Trends

Indoor Air Quality (IAQ): Increased awareness of IAQ issues, and the frequency of complaints by building occupants, has resulted in a rapid increase in mold complaint litigation centered on IAQ. Litigation may be through standard civil suits seeking damages for personal injury or property damage, or through WC claims. Construction defect claims are common. Medical causation of injuries is uncertain, and in some instances, psychological suggestion alone, rather than actual exposure, may cause injuries.

Program Eligibility

This program is designed to attract HVAC, refrigeration, mechanical, plumbing & sheet metal 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:

- Air Conditioning Systems or Equipment--Dealer/Distributor & Installation/Service/Repair
- Heating/Combined Heating/Air Dealer/Distributor--Including Installation
- Plumbing
- Refrigeration Systems or Equipment Installation/Service/Repair
- Sheet Metal Work--Outside & Shop
- Solar Energy Contractors

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

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owners that are not members of the One-Call Service Center prior to all scheduled excavations.

Referral Required For The Following Exposures:

- Process piping work in the following high-risk industries: petrochemical/oil refineries, automotive manufacturing, steel mills, industrial chemical/gas manufacturing, gas/electric utilities, and hospital HVAC/medical gas systems.
- Plumbing contractors requesting the Design Service Liability Endorsement.
- High-pressure boiler inspection, installation, cleaning or repair.

Ineligible Operations

- Asbestos abatement
- High-pressure boiler inspection, installation, cleaning or repair if more than 49% of total operations.
- High-risk process piping work, if more than 50% of operations **AND** the general liability premium is less than \$51,000.
- Fabrication of steel products except the following:
 - Architectural sheet metal for use in specialty applications such as new or restorative copper roofs, dome covers, cornices, facades, skylights, moldings, finials, inlaid gutters and similar applications.
 - Industrial sheet metal for use in tanks, tubs, stacks, ductwork, machine guard panels or other non-operative components. This also includes dust collection and product or scrap conveyance systems (paper, wood, plastic, metal).
 - Kitchen equipment for use in hospitals and kitchens such as counters, ice dispensing bins, benches, lift carts and tables.
- Testing for indoor air quality (IAQ) or offering opinions for remedial actions for indoor air quality. This program is not eligible for firms that specialize in IAQ or mold testing & remediation.
- Installation of any of the following systems:
 - Combustible dust-collection systems in occupancies such as a grain mill, wood processing plant, etc.
 - Systems that collect asbestos.
- Fire suppression systems installation, service or repair if more than 25% of operations. (Risk may be eligible for the AFSA program.)
- Roofing installation, service or repair if more than 25% of operations. (Risk may be eligible for the RCP program.)

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

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

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- \$2,500 Minimum Property Damage Deductible, Per Occurrence

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
- Two years of prior job lists and/or certificate holder list
- 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