

Underground Utility Contractors Program (UUCP)

Agent's Kit

Industry Profile

The U.S. **underground utility industry** segment of the heavy construction industry is composed of about 11,000 firms. The vast majority are small, privately held companies. The industry employs about 200,000 people.

Larger contractors may be involved in a variety of ancillary operations such as street and road construction, irrigation and drainage system construction, and septic tank installation or repair. Their operations require them to work within right-of-way limits of government, residential, commercial, industrial, public utility, and railroad properties.

Emerging Trends

TEA-21: The Transportation Equity Act for the 21st Century (TEA-21) has an enormous impact on the heavy construction industry. The legislative bill that was passed in 1998 will pump over \$200 billion for road, bridge and transit programs to build new, and rehab our aging, infra-structure through the year 2003. Federal Funds have been committed to each of the states based on their needs.

Technology: This industry is constantly looking for more efficient ways to repair underground utilities. Trenchless Technology will continue to develop as a very important technique at more and more jobs-sites.

Program Eligibility

This program is designed to attract underground utility contractors of various sizes and exposure basis. The risk must meet the following eligibility criteria before you may quote, bind or write it in this program.

Operations

An account must meet both eligibility criteria (1) and (2) below to be eligible for this program:

1. 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.
2. 75% of the insured's general liability payroll must emanate from the following operations, either singly or in combination:
 - Conduit construction for cables and wires
 - Gas mains or connections construction
 - Sewer mains or connections construction

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- Telephone, telegraph or cable television line construction - NOTE: These operations are for underground exposures only; accounts with overhead exposures or work at heights are not eligible for the UUCP program
- Water mains or connections construction
- Utility line inspections and crack sealing operations
- Tunneling operations for the installation, service or repair of underground utility lines - NOTE: only operations not performed under air pressure (pneumatic) and using a trenchless excavation construction (TEC) method are eligible for the UUCP program (See the definition of pneumatic tunneling under Ineligible Operations)
- Sewer/manhole rehabilitation
- Excavation: typical excavation jobs such as ditch digging, foundation work, and digging of small ponds for farms

Ineligible Operations

- Blasting for others
- Contractors performing work from barges or any other type of flotation vessel
- Crane rental to others
- Dam construction, including cofferdams and caisson building
- Environmental Remediation, which is the construction of a utility line to remove hydrocarbons, leachate, or other environmental impairments
- Flood control prevention
- Garbage or refuse dumps
- Landfill operations, construction or closure operations – past, present or future
- Levee or breakwater construction
- Local trucking for hire (other than sand/gravel hauling <25% of total shipments)
- One-man operation with no employees
- Onsite waste treatment
- Operations conducted in an oil field
- Pile driving; sheet or I-beam piling which is used for trench or excavation protection as opposed to structure foundation **is** acceptable-this piling may be up to 30 feet high
- Railroad construction
- Subway construction
- Telephone, telegraph or cable line construction involving overhead exposures or work at heights
- Tunneling where employees are working under air pressure (pneumatic); Pneumatic tunneling involves the construction of tunnels under air pressure below waterways, through mountains and other structures, to permit passage of pedestrians, vehicles, trains or water; Work starts at each end in steel caissons and proceeds until both sections meet; Work under air pressure is necessary to keep water, sand or mud from flooding the excavation - NOTE: The use of pneumatic (air powered) tools is not

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considered pneumatic tunneling; the employees themselves must be working under air pressure (usually in caissons)

- Underground storage tank removal over 5% of total revenue or more than 12 tanks per year, or if the risk is involved in hauling tanks or contaminated soil away from the job site or cutting/breakdown of the tanks
- Underpinning buildings

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