

Land Improvement Contractors Program (LICP)

Agent's Kit

Association Information

We desire to insure land improvement/earth-moving contractors nationwide through our Land Improvement Contractors Program.

Industry Profile

The land improvement segment of the heavy construction industry consists of many diverse operations. Many land improvement contractors are former farmers who may still farm on a part time basis. Many are relatively small contractors with very expensive equipment. Due to their farming background, many contractors are located in remote areas. Contractors are primarily engaged in irrigation, drainage system construction, excavation, and terracing of land. Any construction which involves the movement and improvement of land may be performed by a land improvement contractor.

Emerging Trends

Consolidation: The heavy construction industry is vibrant and industry consolidation is taking place at a rapid rate. Consolidation is occurring as a result of increased competition and economies of scale. The consolidations to date seem to take place with the larger contractors.

Workforce Issues: The heavy construction industry is also impacted by a shortage of qualified production employees.

Technology: This industry is constantly looking for more efficient ways to conduct land improvement/earth moving operations. Advanced equipment will continue to be developed to improve efficiency.

Program Eligibility

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

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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:
 - Excavation: typical excavation jobs such as ditch digging, foundation work, and digging of small ponds for farms
 - Grading of land: farm land clearing, site preparation for road building or new subdivisions, etc.
 - Irrigation or drainage system construction: digging furrows and small canals for farmers and grove operators for irrigation purposes, also digging for and installing underground sprinkler systems
 - Driveway, Parking Area or Sidewalk-Paving or Repaving

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 (for new business only)
- 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; Works 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

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(air powered) tools is not 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

Trenchless Excavation Construction (TEC). Except for pipeline rehabilitation, all non man entry methods of trenchless excavation construction (TEC) should be classified as follows:

- General Liability - according to the type of utility work (gas, sewer, water main or conduit construction)

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
- \$1,000, \$2,500, \$5,000, or \$10,000 PD 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

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SUBMISSION REQUIREMENTS

- Acord Application
- 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