



**Home
Construction
Insurance
Company**

Application

A Builder Owned Risk Retention Group Insurance Program



**If you are a quality Builder* looking for better
General Liability Insurance please contact your local
CBIA member broker or us for more information:**

1 888 773 6642

inquiries@hcicinsurance.com

www.hcicinsurance.com

Please email all Underwriting inquiries to the address above.



The California Building Industry
Association sponsor the Home
Construction Insurance Company
Contact: mstrech@cbia.org



Program Administrators Contact
Freephone Tel: 1 888 773 6642

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HCIC is a Nevada Domiciled
Risk Retention Group

With captive and regulatory
Management provided by
Risk Services LLC Florida

**With \$2.5 million – \$400 million
annual revenue*

**Home
Construction
Insurance
Company**

A Risk Retention Group

Construction Supplemental Application 2008

Applicants Instructions:-

Answer all questions IN INK. If the answer to any question is NONE, please state NONE. If there is insufficient space for any answer please continue on a separate sheet of paper.

1. Applicant Information

Effective date of policy:- First Named Insured

If any other Named Insureds are to be included, please continue this list in Addendum 1 or alternatively provide full Named Insured schedule with full description of each entity.

No entity will be considered for coverage without a full description of operations.

License number(s) and type(s):

Business is a:

- Corporation Partnership Joint Venture
 Sole Proprietorship LLC

Year formed Years under current senior management

- **If formed less than 5 years ago, and/or under current senior management for less than 5 years, please enclose full details of experience and resumes of principals/senior management.**

If any of the Named Insureds have changed their business names within the past 10 years, please advise reason(s), date(s) of change(s) and the previous business name(s) :

.....

Are any of the Named Insureds involved in any joint ventures not listed in Addendum 1? Yes No

If yes, is the joint venture insurance coverage placed elsewhere? Yes No

Is coverage for any joint venture being requested in this insurance application? Yes No
 If yes, provide details and names of these operations:-

Prior Insurance

Name of current Insurance Carrier:-

Expiring Premium:- \$ Policy Limits:- \$.....

Deductible amount:- \$ Self-Insured Retention:- \$.....

Is the Deductible/SIR:

Per occurrence: Yes No Per Claim: Yes No

Other Yes No If yes, describe:.....

Have you ever been:-

Insured by a policy that does not cover work on attached or multi-unit dwellings, subsidence, or completed operations?

Yes No

If yes, provide full details:-

.....

Without coverage or with a lapse in coverage at any time since the business started?

Yes No

If yes, list all such periods:-

.....

2. Operations

Describe all operations:-

.....

Risk is: Developer% General Contractor% Subcontractor%

Has there been any substantial change in operations during the past ten (10) years or since your organization was formed if less than ten years?

Yes No

If yes, give full details:-

How far from the mailing address shown on the Acord form are your operations conducted (indicate approximate percentage split)?

Under 50 miles:%; 50 - 100 miles:%; Over 100 miles:%

Has there been any major change to these percentages in past ten (10) years?

Yes No

If yes, give brief details:-

Indicate Direct Payroll, Subcontract Costs and Gross Receipts (exclude business insured elsewhere):-

	Direct Payroll	Subcontract Costs	Gross Receipts
Next 12 Months Estimate	\$	\$	\$
Current Year Estimate	\$	\$	\$
1st Prior Year	\$	\$	\$
2nd Prior Year	\$	\$	\$
3rd Prior Year	\$	\$	\$
4th Prior Year	\$	\$	\$
5th Prior Year	\$	\$	\$

What proportion of work is:-

a. Performed by you:%

b. Performed by others on your behalf:%

Total: 100 %

If all work is performed by others on your behalf, you do not need to complete the table below.

For work you anticipate contracting to do in the next twelve (12) months, show in the table below the split for each trade between (a) retained work which is to be performed by you, and (b) subcontracted work which is to be performed by others on your behalf.

Each row must total 100% if the trade is involved in work you anticipate you will contract to do.

TYPE OF WORK	Performed by you	Performed by others on your behalf
Carpentry (NOT framing)	%	%
Concrete (foundations)	%	%
Concrete - new build (NOT foundations)	%	%
Drilling	%	%
Dry Wall	%	%
Electrical	%	%
Excavation/ Grading (rough)	%	%
Fencing	%	%
Floor covering	%	%
Framing	%	%
Grading (finish)	%	%
Insulation	%	%
HVAC	%	%
Landscaping	%	%
Painting (exterior)	%	%
Painting (interior)	%	%
Plastering (interior)	%	%
Plumbing	%	%
Roofing	%	%
Seismic Retro-Fit	%	%
Sewer/Water Mains (hook up)	%	%
Sewer/Water Mains (NOT hook up)	%	%
Sheet Metal	%	%
Steel (Ornamental)	%	%
Steel (Structural)	%	%
Street / Road	%	%
Stucco	%	%
Supervisory Only	%	%
Tiling	%	%
Window Installation	%	%
Other 1 (Describe)	%	%
Other 2 (Describe)	%	%

If you do **any** work as SUBCONTRACTOR, what percentage of that work do you currently obtain from entities with which you have continuous and ongoing business relationships for (total must equal 100%):

a. less than 3 years%; b. 3 to 5 years%; c. more than 5 years%

• **Attach a list of all Developers/General Contractors you have worked for in the past 12 months**

Indicate percentage of work performed on the following types of construction, both currently and during the past ten (10) years (or since your organization was formed if less than ten years)?:-

Current		Past Ten Years*
%	New Construction	%
%	Remodeling	%
%	Maintenance; Service; Repair	%

100% Total

100% Total

Current		Past Ten Years*
%	Commercial Buildings (Offices , etc)	%
%	Industrial Buildings (Manufacturing)	%
%	Institutional Buildings (Hospitals, Schools, etc)	%
%	Apartments	%
%	Condominiums	%
%	Multi-Unit Dwellings (Include: Town-Houses, Duplexes)	%
%	Tract Homes / Non-Custom Single Family Dwellings	%
%	Single-Homes (Custom Built)	%

100% Total

100% Total

Current		Past Ten Years*
%	California Operations	%
%	Operations Outside of California	%

100% Total

100% Total

* or since formed if under ten years

• Explain in detail on a separate sheet of paper any operations outside California. Indicate the number of each of the following you have worked on (if zero, show "0"):

		Past 10 years (since formed if sooner)	Current 12 months	Next 12 months (forecast)
Condominium & multi-unit dwelling (incl. town-homes, duplexes, etc.):	Projects			
	Units			
Tract home:	Total number of Units			
	Projects with 1 - 50 units*			
	Projects with 51 - 100 units*			
	Projects with 101 - 150 units*			
	Projects with over 150 units*			
* number of units at completion of project regardless of when work done or by whom				
Single-Homes (Custom Built)				
Approximate average unit size in square feet				
Approximate average sale price of each unit				

If you have worked in the past five years, or plan to work in the future, on projects at which the number of units planned/built exceeds 150, give details including project name, location, and number of units at each:-

Have you ever performed any of the following work?

- Work at a landfill, waste, recycling or environmental remediation site? Yes No
- Installation, testing or removal of petroleum or any other under or above ground storage tanks? Yes No
- Asbestos or lead paint abatement or removal? Yes No
- Railroad track/trackbed construction, repair or maintenance? Yes No
- Installation or servicing of automatic sprinkler or fire suppression systems? Yes No
- Installation of commercial fire alarms or smoke detectors? Yes No
- Installation, servicing or repair of high-pressure boiler systems? Yes No
- Installation, servicing or repair of gas mains? Yes No
- Waterproofing or swimming pool construction? Yes No
- Repair of earthquake damage? Yes No
- Blasting, demolition or work involving the use of explosives? Yes No
- Construction of bridges, dams, levees or similar? Yes No
- Heavy Engineering such as Caissons, Cantilever, Piers; Shoring or similar? Yes No
- Masonry work on commercial buildings? Yes No
- Application of "Exterior Insulation Finish Systems" (AKA Synthetic Stucco)? Yes No
- Construction management for a fee? Yes No

Do you perform work below grade? Yes No

If yes, maximum depth feet. % of total work%

If your work involves grading, excavating, concrete or foundation work on residential lots and pads, please advise the percentage of that work for

a. Past 10 years:%; b. Next 12 months:%

Do you work on hillsides or slopes? Yes No

If yes, maximum degree of slope:-

If yes, please advise details of this work for the past five years:-

Average height of building(s)storeys. Maximum height worked onstoreys.

Indicate percentage of work performed above two storeys in height from grade%

Have you ever constructed/built any buildings in excess of 4 storeys? Yes No

Is any work within 50' of railroads? Yes No

If yes, frequency of work:-

And type of work:-

Do you have any other operations outside the realm of contracting / construction? Yes No

-If yes, give details of these other operations:-

-Are these other operations separately insured elsewhere? Yes No

- Attach a list of major jobs (including brief description and zip code) completed in the last five years.
- Attach a list of jobs in progress and major jobs (including brief description and zip code) anticipated for the next year.

3.Subcontracted work performed by others on your behalf

(If **all** work is performed by you, go to question 4)

What percentage of work do you currently award to sub-contractors with whom you have continuous and ongoing business relationships for:-

- a. less than 3 years%; b. 3 to 5 years%; c. more than 5 years%

Do you have a **written** subcontractor agreement, with **every** subcontractor? Yes No

Do these agreements require subcontractors to:-

- *Carry at least the following primary limits of insurance: \$1,000,000 per Occurrence; \$1,000,000 Products Completed Operations; \$2,000,000 General Aggregate?* Yes No

- *Ensure the policy is of either the occurrence type or claims made with at least 10 years extended reporting period purchased at the effective date of the policy?* Yes No

- *Add you to the policy as an Additional Insured for both General Operations **and** Completed Operations?* Yes No

- *Hold you harmless?* Yes No

- *Provide primary non contributory wording and waiver of subrogation wording?* Yes No

Do you **always** obtain the following from **every** subcontractor:

- *Certificate of insurance evidencing the policy requirements set out above?* Yes No

- *Copy of the Additional Insured endorsement adding you to the subcontractor's policy?* Yes No

• **Please attach a full copy of your Subcontractors Agreement.**

4.Loss Control and Risk Management.

A. Safety

Do you have a current written safety program that complies with SB198? Yes No

Where and how often are safety meetings held?

Is a record kept of the attendees and topics covered? Yes No

Please provide names and positions of personnel managing the safety program:-

.....

Do you screen for substance abuse? Yes No

In the past 5 years, have you been subject to investigation by OSHA for any alleged safety violations or job-site injuries? Yes No

If yes, give full details including dates, description, and outcome on a separate sheet of paper.

What is your Workers Compensation Modifier?

Current; 1st prior year; 2nd prior year

Do you have overall control of any job-sites? Yes No

If yes:-

Is perimeter of every job-site under your overall control protected by a chain-link fencing? Yes No

Do you have current written procedures for site security? Yes No

• **If yes, please attach a copy of your site security procedures.**

B. Quality Control of Work Product During Construction

Do you have a structured and active quality management program for your work product? Yes No

Do you have current written procedures for site security? Yes No

If yes, was program designed in-house or by outside consultant Date Established:

Name and position of person managing program:

Details of program:
.....

Do you employ the services of a third party field inspector to document and approve each phase of construction? Yes No

If Yes, please advise by whom and details of services provided:-
.....

Do you video tape or photograph the construction process? Yes No

Who performs final inspection of your work before you leave the job site?

Do you use outside providers to train your: Superintendents? Yes No Foremen? Yes No

Is this training ongoing? Superintendents: Yes No Foremen: Yes No

Is this training documented? Yes No

If yes, briefly describe:

Have you experienced any allegations of city code violations in the past 10 years? Yes No

If yes, give full details including dates, description, and outcome on a separate sheet of paper.

If you buy land, do you always ensure it is tested, even if partially developed, prior to purchasing it for development?
Do not buy land Yes, always ensure tested No testing

- If Yes, please advise details of tests:-

-Please provide a list of all other tests carried out during construction:-
.....

C. Customer Service

(Applies to Developers and General Contractors only. Subcontractors go to section 5)

What is the turn-around time for fixing problems under warranty?

How do you respond to complaints that occur after the warranty period?
.....

Are insurance backed Home Warranty policies provided for single family and multi-family dwelling units?

Always Sometimes Never If sometimes, give details of when:-

If always or sometimes, what is the duration of the warranties?

Name of insurance carrier:-

- Are you SB800 compliant? Yes No
- Do you have a software based system for handling complaints governed by SB800? Yes No
- Have you adopted the pre-litigation procedures contained in Chapter 4 of SB800? Yes No
- Do you provide an Enhanced Protection Agreement? Yes No
- Do you provide each new homeowner with a Homeowners Manual setting out mandatory inspection and maintenance requirements? Yes No
- Do you keep written records of all customer service activity? Yes No
- Do you get a signed release from homeowners when warranty or service work is completed? Yes No
- Do you have a permanent Post Sale customer service department? Yes No
- If yes, number of employees?

• **Attach a copy of your sales agreement**

5 Losses

- During the last five years, have any claims been asserted against you? Yes No
- Are you aware of any circumstances, which may result in a claim, not previously reported or indicated on a loss run, or are you in negotiation with any construction project owner, developer and/or general contractor in conjunction with alleged construction defects? Yes No
- If yes, describe:-

Summary of Losses

(Currently valued for past six years Inclusive of any Deductible/Self Insured Retention)

Policy Year	Number of Losses		Paid Losses (\$)	Outstanding Losses (\$)	Paid Expenses (\$)	Outstanding Expenses (\$)	Total Incurred (\$)
	Open	Closed					
Current							
1st Prior							
2nd Prior							
3rd Prior							
4th Prior							
5th Prior							

6. Checklist
Have you included the following attachments?

- | | |
|--|---|
| If formed less than 5 years ago, and/or under current senior management for less than 5 years, provide full details of experience and resumes of principals/senior management. | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| If a subcontractor, list of all Developers/General Contractors you have worked for in the past 12 months | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| Explanation of any operations outside California | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| List of major jobs (include brief description and zip code of each) completed in the last five years. | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| List of jobs in progress and major jobs anticipated for the next year (include brief description and zip code of each). | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| Copy of your Subcontractors Agreement. | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| If you have overall control of any job sites, copy of your site security procedures | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| Completed addendum 1 | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |
| Copy of your sales agreement (Developers & General Contractors only) | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> |

All written statements and materials furnished to the underwriters in conjunction with this supplemental application are hereby incorporated into this supplemental application by reference and made a part hereof.

The undersigned declares that the statements and facts set forth herein are true and that no material facts have been suppressed or misstated. The undersigned agrees that if the information supplied in this supplemental application changes between the date of this supplemental application and the effective date of the insurance, the undersigned will immediately notify the underwriters of such changes, and the underwriters may withdraw or modify any outstanding quotations, authorization or agreement to bind the insurance. It is understood that any misrepresentation or omission shall constitute grounds for immediate cancellation of coverage and denial of claims, if any.

Signing of this supplemental application does not bind the applicant or the underwriters to complete the insurance. Acceptance of the underwriters quotation by the applicant and the underwriters written agreement to be bound is required to bind coverage and issue the policy. It is agreed that this supplemental application shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the policy.

General: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or, conceals for the purpose of misleading, information concerning any fact thereto commits a fraudulent act, which is a crime and subjects such person to criminal and civil penalties.

Signed by an **executive officer/director** of the Insured:

Date:

Name and Title:

Signed by the Agent: Date:

Name and Title:

Addendum 1 Applicant Information (Continued)

List all other named insureds to be included:

	Named Insured	Corporation, Joint Venture, Partnership, LLC, or Sole Proprietor	Years Under Current Name*	Year Formed	Licence Number and Type	Describe All Operations of Each Named Insured
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

* If any Named Insured has changed its business name within the past 10 years, advise the reason(s), date(s) of change(s) and the previous business name(s) .

Home Construction Insurance Company

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group. Therefore, these funds will not pay your claims or protect your assets if *your risk retention group*, the insurer, becomes insolvent and is unable to make payments as promised.

