



COMMONWEALTH
CONTRACTORS

**Commonwealth Contractors Group Self-Insurance Association
Workers' Compensation Program**

UNDERWRITING GUIDELINES

SUBMISSION REQUIREMENTS 1

ELIGIBILITY..... 2

CONDITIONAL ELIGIBILITY 3

PROHIBITED/INELIGIBLE OPERATIONS 4

SUBMISSION REQUIREMENTS

Fully completed **Workers' Compensation Acord Application**, including the following information:

- Detailed Description of Operations
- Federal Employer ID Number or Social Security Number
- Experience Modification (for renewal – not expiring) and NCCI Risk ID Number
- Currently valued (within the last 60 days) company loss runs including details on any claim(s) in excess of \$5,000, and premium figures for the current year PLUS 3 prior years.

NOTE: Current loss runs are required before a quote can be finalized and application for Group membership can be processed. A tentative and conditional quote can be issued without loss runs by exception, but is subject to verification with receipt of loss runs before a quote is finalized.

Providing the above information will assist the producer in receiving a final quotation in the shortest reasonable time. An ACORD form containing all requested information and current loss runs are essential for reaching this goal. Additionally, please be aware of the following regarding our underwriting process:

- Please allow up to 2 weeks for review which will allow each submission full consideration. However, immediate review may be done on exceptional submissions requiring urgent attention.
- Under no circumstances will coverage be backdated or extended beyond the effective date, prior to the date of actual approval.
- Applications will be reviewed within 60 days prior to the proposed effective date of coverage.

ELIGIBILITY

TARGETED BUSINESS: Only Virginia operations engaged in **construction or construction-related occupations** can participate, as further elaborated on in the rating classifications, which can be separately supplied.

LOCATION OF OPERATIONS: Only premium generated by Virginia operations can be covered by this program. Out-of-state operations will need to be covered elsewhere – refer to guidelines separately outlined in “Commonwealth Contractors’ Group Policies” and included as an excerpt on page 5 of this document.

MINIMUM PREMIUM: Each member shall have a minimum annualized manual premium of \$5,000. In the event that the payroll audit indicates an annualized manual premium of less than \$5,000, \$5,000 will remain the basis upon which the experience modification, premium discount, and expense constant are subsequently applied.

COMMON ANNIVERSARY DATE: The Group has a common anniversary date of **April 1**. However, coverage for new members may be written at any time during the year – the premium will be pro-rated for the short-term and renewed on April 1 for a full year.

MAXIMUM EMPLOYER’S LIABILITY LIMIT: The maximum level of employer’s liability available to members is \$1,000,000. Any increase over the standard limits will be at an additional charge and will be applied in accordance with the NCCI Basic Manual.

GENERAL REQUIREMENTS: Generally, potential Group member-employers must, at a minimum, have:

- **A positive net worth,**
- **Been in business for three years,**
- **Not greater than a 1.24 experience modifier, and**
- **No high-rise work.**

See sections labeled [“Conditional Eligibility”](#) and [“Prohibited/Ineligible Operations”](#) for additional information.

CONDITIONAL ELIGIBILITY

Due to high risk potential, accounts with the exposures outlined below are conditionally eligible and will be carefully reviewed before a final determination can be made:

- Businesses which have been in operation less than three (3) years. For consideration, details of principals' previous experience must be submitted.
- Businesses which are not experience rated or have a current experience modification in excess of 1.24.
- Businesses with a loss ratio of 70% or more in the current year and/or a cumulative loss ratio for the three (3) immediate prior years exceeding 70%.
- Businesses with work exposures exceeding 2 stories.
- Any previously approved business which would like to activate its membership after the approved effective date.
 - a) If membership is sought more than 45 days (e.g. 05/16/20) after the previously approved effective date (e.g. 04/01/20), the business must submit an updated ACORD application if changes have occurred, or written confirmation there have been no changes, and currently valued loss runs (within the last 45 days) which both identify and verify any workers' compensation claims which may have occurred since the previous submission date.
 - b) If membership is sought within 45 days of the previously approved effective date, a letter must be signed and submitted by a company official (1) certifying that no workers' compensation claims have occurred since the previous submission date, or (2) explaining the details of the losses which did occur.
- Roofing exposures will be reviewed on an exceptional basis only, and will be given consideration based on premium level, loss experience, and extent of safety program and initiatives. Additionally, they must have a credit experience mod, show favorable results from a physical pre-inspection, and have final approval from the excess carrier.
- Demolition exposures will be conditionally eligible, with many factors to be closely evaluated, including the exposure to asbestos, machinery and crane hazards, manual material handling, blasting, etc. These risks will need to generate sufficient premium, have good loss history, have appropriate safety programs and practices in place, and will be subject to a physical pre-inspection. (Refer to Best's Underwriting Guide).
- Quarry exposures will be conditionally eligible, and safety procedures used to address the hazards involved, safety record, types of past claims, etc. must all be closely evaluated. Quarry exposures will be subject to a physical pre-inspection. (Refer to Best's Underwriting Guide).
- Railroad Construction or Repair will be conditionally eligible, and safety procedures used to address the hazards involved, safety record, types of past claims, etc. must all be closely evaluated. If deemed necessary, railroad construction exposures may be subject to a physical pre-inspection. (Refer to Best's Underwriting Guide).

Continued...

CONDITIONAL ELIGIBILITY (CONT'D)

- Known USL&H exposures for new applicants are conditionally eligible, with the following criteria:
 1. Minimum Annualized Manual Premium (total account) of \$10,000;
 2. Potential Annual USL&H Payroll must not exceed 10% of risk's Total Projected Annualized Payroll;
 3. Class Codes with potential USL&H exposure must be the same construction class codes currently accepted within our Guidelines. Must not have "true" USL&H class codes, including but not limited to stevedoring, shipbuilding, etc.;
 4. Good Loss History consistent with current guidelines;
 5. Subject to a physical pre-inspection;
 6. Must have appropriate safety programs and practices in place.

PROHIBITED/INELIGIBLE OPERATIONS

New Applicants must not have operations which involve:

- Uninsured Subcontractors
- Significant amounts of chainsaw work
- Asbestos/lead abatement
- Tunneling of any Type
- Sandblasting (except as incidental or secondary to another primary, eligible class)
- Dredging (except will be contemplated under Class Code 4000)
- Foundry Operations
- Hazardous Waste
- Heat Treating
- Metal Plating of any type
- Erection, installation, repair or painting of:
 - Water Towers
 - Silos
 - Stacks
 - Electrical and/or Media Transmission Towers
 - Antennas and/or Receivers
 - Gas Transmission Equipment
 - Lock Gates
- Out-of-state exposures except in accordance with Commonwealth Contractors' Group Policies. The policy regarding out-of-state exposures is included on the next page for your reference.

Excerpt: Commonwealth Contractors Group Policies

I. Out-Of-State Work

Subject to Virginia Code Section 65.2-802, which provides in part that benefits payable shall extend only to employees otherwise eligible for coverage under the Virginia Act, workers' compensation coverage to members of the CCGSIA may include losses that occur in states other than Virginia provided:

- a) The injured employee was working within the scope of his employment at the employer's direction;
- b) The injured employee was regularly employed in Virginia;
- c) The work in the other state was incidental to work performed in Virginia;
- d) The work in the other state was temporary and transitory; and
- e) It is legal under regulatory law of Virginia and the other state.

Additionally, if the member's projected annualized payroll for work out-of-state is more than incidental, and/or involves the hiring of out-of-state employees, the member **MUST** obtain separate coverage elsewhere for that exposure. CCGSIA is only qualified in Virginia, and it is up to the member to determine whether this extension of benefits for losses in other states complies with or is acceptable to other states.

One option for obtaining coverage for states outside of Virginia may be available through a relationship with the Group's excess carrier. Subject to underwriting, a separate primary policy may be written that would cover incidental out-of-state exposures, including employees who are hired in other states and/or are working at a physical location outside of Virginia. Out-of-state payroll should not exceed 30% of the total payroll, and exposures must be similar to in-state exposures. The policy would be written on Safety First Insurance Company paper, A.M. Best rated A+, and rated according to the appropriate state. To request a quote or to obtain more information, contact Laura Snider at lsnider@landininc.com or 804.359.9600, ext. 41.

Failure to obtain separate coverage for out-of-state work, when required, could jeopardize payment of benefits. Also, in some states, the member-employer could be subject to penalties or fines if it does not have workers' compensation insurance issued by a carrier licensed to do business in that state.