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## **SERVICE CONTRACTORS PROGRAM NEW MEXICO EFFECTIVE 9/11/2011**

### **ELIGIBLE OPERATIONS**

- Owner Payroll - Use \$16,000 in lieu of state minimum.
- Payroll must not exceed \$500,000.
- Gross Receipts must not exceed \$1 million.
- Subcontracted work must not exceed 25% (submit higher).
- Operations must not exceed 36 feet in height.
- Handyman who does minor carpentry, painting, drywall, electrical or plumbing repairs to residences, including apartments, condos and townhouses. Payroll less than \$50,000, receipts less than \$100,000.

### **SUBMIT FOR APPROVAL**

- Primary – Non-Contributory – Waiver of Subrogation
- General Contractors
- Operations exceeding 36 feet in height
- Any snow plowing/ice removal operations
- Boat or water exposure
- Any risk that has been non-renewed in the last three years
- Risks with three losses in three years or if any one loss exceeds \$5,000 payment or reserved claims
- Operations or classifications outside program

### **PROHIBITED EXPOSURES**

- Alarm installation and security systems in institutional facilities such as hospitals, nursing homes, assisted living facilities, detention or correctional facilities, and work on military bases
- Any work associated with construction defect remediation
- Any new residential tract, apartments or condo housing
- Fire and water restoration operations
- The use of any uninsured subcontractors
- Alarm installation in security systems in nuclear power plants, airports and facilities working with explosive materials
- Mowing alongside streets, highways or roads
- Woodstove installation

### **MISCELLANEOUS**

- The rates contemplate \$500 property damage deductible.
- New venture or no insurance for the last 90 days, 10% surcharge.
- Additional Insureds – no charge for up to 10 A. I.s. Must submit for more than 10. Additional insureds must be approved by Statewide, and our additional insured supplemental application must be submitted.
- **SUBCONTRACTOR WORK**
  - Certificates of insurance are required to be obtained. If no certificate is obtained, cost of subs will be considered as payroll
  - Subcontractors must provide certificates of insurance with equal limits or a minimum of \$300,000, prior to commencing work.

APPLICATIONS – USE ACORD (125-126) COMMERCIAL INSURANCE APPLICATION

**Must be completed in full and signed by both the insured and producer.**

INLAND MARINE – SUBMIT FOR UNDERWRITING APPROVAL  
COMMERCIAL PROPERTY – SUBMIT FOR UNDERWRITING APPROVAL

Code No.	Rates are per \$1,000 of payroll Classifications	Limits and Rates		
		\$300,000	\$500,000	\$1 Million
91111	Air Conditioning Systems or Equipment – Installation, Servicing or Repair	\$27.84	\$30.48	\$33.44
91127	Alarms and Alarm Systems – Installation, Servicing or Repair (Submit installation of alarms and security systems in institutional facilities such as hospitals, nursing homes, assisted living facilities detention or correctional facilities and work on military basis to Statewide.) Prohibit any operation at nuclear power plants, airports and facilities working with explosive materials or hazardous materials.	\$17.65	\$19.64	\$21.99
91155	Appliances and accessories – Installation, Servicing or Repair – Household	\$25.79	\$27.26	\$28.48
91405	Carpet, Rug, Furniture or Upholstery Cleaning on Customers Premises Including Products and/or Completed Operations	\$27.20	\$28.65	\$29.36
91481	Chimney Cleaning Including Products and/or Completed Operations – Wood or Pellet Stove Installation Prohibited	\$17.36	\$18.83	\$20.28
91560	Concrete – Cement	\$30.38	\$33.89	\$38.31
91629	*Debris Removal – Construction Site	\$13.53	\$15.13	\$17.18
92215	Driveway, Parking Area or Sidewalk – Paving or Repaving	\$22.03	\$23.79	\$25.59
92338	Drywall or Wallboard Installation	\$10.38	\$11.30	\$12.29
92451	*Electrical Apparatus – Installation, Servicing or Repair	\$25.14	\$27.54	\$30.25
92478	*Electrical Work – Within Buildings	\$11.88	\$13.08	\$14.44
94304	Fire Extinguishers – Servicing, Refilling or Testing	\$22.14	\$24.78	\$28.11
94381	Fire Suppression Systems – Installation, Servicing or Repair – This classification only applies to Ansul or other cooking related automatic fire extinguishing system installation, service or repair. <b>\$2,500 Minimum Premium Applies.</b>	\$147.64	\$164.71	\$186.47
94569	Floor Covering Installation – Not Tile, Ceramic or Stone	\$15.95	\$17.16	\$18.43
95410	Grading of Land – Maximum Depth – 3 Feet	\$27.39	\$29.81	\$32.39
95487	Greenhouse Erection	\$10.13	\$10.98	\$12.20
95625	Handyman – \$1,000 Compensation Limit Per Job	\$29.13	\$31.71	\$34.85
95647	Heating or Combined Heating and Air Conditioning Systems or Equipment – Dealers or Distributors and Installation, Servicing or Repair – No Liquefied Petroleum Gas (LPG) Equipment Sales or Work – U1118 Mandatory. If any LPG work refer to class 95648. Refer to the class guide for further instruction.	\$23.13	\$25.29	\$27.69
96053	House Furnishings - Installation	\$23.43	\$25.05	\$26.41
96816	Janitorial Services – Including Products and/or Completed Operations- Floor waxing Maximum 10% of total receipts (done after hours only) – 10% surcharge – Submit all Others	\$17.36	\$18.83	\$20.28
97047	Landscape Gardening – Including Products and/or Completed Operations	\$18.78	\$19.76	\$20.26
97111	Logging & Lumbering	\$13.89	\$15.55	\$17.64
98111	Office Machines or Appliances – Installation, Inspection, Adjustment or Repair – Including Products and/or Completed Operations	\$ 4.88	\$ 5.36	\$ 5.95
98305	*Painting – Interior –Buildings or Structures	\$20.06	\$21.69	\$23.34
98482	*Plumbing – Commercial and Industrial – 94381 Fire Suppression Systems for Restaurant Hood Extinguishing System Work. <b>\$1,750 Minimum Premium Applies</b>	\$21.25	\$23.16	\$25.24
98483	*Plumbing – Residential <b>\$1,750 Minimum Premium Applies</b>	\$38.53	\$42.19	\$46.30
98805	Septic Tank Systems – Cleaning - \$1,000 BI/PD Deductible Required	\$24.16	\$26.78	\$30.06
98967	Siding Installation	\$16.40	\$18.46	\$21.08
99004	Sign Painting or Lettering on Buildings or Structures	\$23.60	\$25.45	\$27.36
99303	Street Cleaning Including Products and/or Completed Operations – This classification applies only to private driveways, parking lots or private roads. \$1,000 deductible BI/PD required.	\$89.92	\$94.97	\$101.03
99471	Surveyors – Land – Not Engaged in Actual Construction – Including Products and/or Completed Operations – Professional Liability must be in place with concurrent dates and minimum limits of \$1 million.	\$ 6.60	\$ 7.69	\$ 9.16
99746	*Tile, Stone, Marble, Mosaic or Terrazzo Work – Interior Construction	\$16.16	\$17.08	\$17.75
99777	Tree Pruning, Dusting Spraying, Repairing, Trimming or Fumigation – Including Products and/or Completed Operations – Pest Control Prohibited	\$28.43	\$30.81	\$33.20

99826	Upholstering – (Submit Boat Work)	\$11.09	\$12.03	\$12.94
99952	Pressure Washing – This class is used for power washing and risks that may clean restaurant hoods and vents by pressure apparatus. Maximum PSI – 3,000. Service and repair to restaurant hoods and vents should be rated separately.	\$27.50	\$32.50	\$37.50
99975	Window Cleaning – (3 stories and under) Including Products and/or Completed Operations	\$34.26	\$37.80	\$41.50

**\*No New Residential Construction**

E & O Coverage Buyback Options (Flat Rates)	LIMITS		
	\$300,000	\$500,000	\$1 Million
Available for any class listed in the above classifications table.	\$65.00	\$75.00	\$100.00

**LIABILITY UNDERWRITING**

- Rates are per \$1,000 of payroll.
- To double policy general aggregate, increase rates by 5%.
- 25% minimum premium is fully earned.
- Fire Legal - \$100,000
- Med Pay – \$5,000
- Policy minimum premium is \$650.00.
- Policy fee is \$150.00.
- To adjust deductible to \$1,000, allow 5% credit.
- For a new venture or no insurance in the last 90 days, surcharge is 10%.
- Loss free renewal, with no lapse in coverage, allow 10% credit.
- Surplus lines tax and fee must be applied to the total policy premium, which includes policy fee. New Mexico tax is 3.003%.
- Terrorism coverage can be accepted or rejected. If accepted, premium is \$103.03. **A signed terrorism form must accompany the application to indicate whether or not the coverage is desired.**

**COLONY INSURANCE COMPANY  
POLICYHOLDER DISCLOSURE  
NOTICE OF INSURANCE COVERAGE FOR CERTIFIED ACTS OF TERRORISM**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002 (the "Act"), effective November 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act.

The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage under your policy may be affected as follows:

You should know that terrorism coverage is required to be offered by the act for losses caused by certified acts of terrorism is partially reimbursed by the united states under a formula established by federal law. Under this formula, the united states pay 90% of covered terrorism losses exceeding the statutorily established deductible paid by insurance company providing the coverage. The premium charged for this terrorism coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the act.

You should also know that your policy does not provide coverage for acts of terrorism that are not certified by the Secretary of the Treasury.

**Election or Rejection of Certified Terrorism Insurance Coverage**

You must elect or reject this coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of the Act, before the effective date of this policy. Your coverage cannot be bound unless our representative has received this form signed by you on behalf of all insureds with all premiums due.

**Coverage Election**

I hereby elect to purchase coverage for certified acts of terrorism as defined in Section 102(1) of the Act for a prospective annual premium of **\$103.03**. I understand that I will not have coverage for losses arising from any non-certified acts of terrorism.

**OR**

**Coverage Rejection**

I hereby elect **not** to purchase coverage for certified acts of terrorism as defined in Section 102(1) of the Act. I understand that I will not have coverage for any losses arising from certified or non-certified acts of terrorism.

\_\_\_\_\_  
**Policyholder/Applicant's Signature**  
Must be person authorized to sign for all insureds.

\_\_\_\_\_  
**COLONY INSURANCE COMPANY**  
**Insurance Company**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Policy Number**

\_\_\_\_\_  
**Named Insured**

\_\_\_\_\_  
**Producer Number and Name**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Street Address, City, State, Zip**

**The producer shown above is the wholesale insurance broker your insurance agent used to place your insurance coverage with us. Please discuss this Disclosure with your agent before signing.**