



**TEXAS CONSTRUCTION INSURANCE COMPANY  
RISK RETENTION GROUP, INC.**

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PLANO, TX 75024  
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**CONSTRUCTION SUPPLEMENTAL APPLICATION**

**NOTICE**

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.

**APPLICANT'S INSTRUCTIONS:**

Answer all questions IN PEN. If the answer to any question is NONE, please state NONE. If there is insufficient space for any answer please continue answer in Comments Addendum Number 2.

**(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 entities will be considered for coverage without a full description of operations.

License number(s) and type(s): \_\_\_\_\_

Business is a Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Sole Proprietorship \_\_\_\_\_ Joint Venture \_\_\_\_\_

Number of years in business \_\_\_\_\_ Years of experience \_\_\_\_\_ Years under current business name \_\_\_\_\_

If any of the Named Insureds have changed their business names, please advise date of change and the previous business name: \_\_\_\_\_

\_\_\_\_\_

**• If new venture please provide full details of experience and resumes of principles**

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

If "yes" – is their joint venture insurance coverage placed elsewhere? Yes \_\_\_\_\_ No \_\_\_\_\_

Is any joint venture coverage being requested in this insurance proposal? Yes \_\_\_\_\_ No \_\_\_\_\_

If "yes" please provide details and names of these operations:

\_\_\_\_\_

Please advise expiring Insurance Carrier: \_\_\_\_\_ Expiring premium: \_\_\_\_\_

Policy Limits: \_\_\_\_\_ Deductible amount: \_\_\_\_\_ Self-Insured Retention: \_\_\_\_\_

Is this 'Deductible/SIR' 'Per occurrence' \_\_\_\_\_ 'Per claim' \_\_\_\_\_ or 'Other': \_\_\_\_\_

Have you ever carried a Self-Insured Retention, as opposed to a Deductible, on your General Liability Policy?

Yes \_\_\_\_\_ No \_\_\_\_\_ Please advise which policy years and amount: \_\_\_\_\_

Have you ever been:

- Insured on a claims made policy? Yes \_\_\_\_\_ No \_\_\_\_\_
  
- Insured by a policy that did not cover subsidence, completed operations, work on multi-unit dwellings? If so, please provide full details:-  
\_\_\_\_\_  
\_\_\_\_\_
  
- Without coverage for any period of time since the applicants business was started or any period of time has there been a lapse in coverage?  
Yes \_\_\_\_\_ No \_\_\_\_\_

## (2) OPERATIONS

Describe all operations: \_\_\_\_\_  
\_\_\_\_\_

Do any prior operations differ substantially from current operations? \_\_\_\_\_

Risk is a Developer \_\_\_\_\_% General Contractor \_\_\_\_\_% Subcontractor \_\_\_\_\_%

Describe geographical areas of operations: \_\_\_\_\_

### Provide Direct Payroll, Subcontract Costs and Gross Receipts:

	Direct Payroll	Subcontract Costs	Gross Receipts
Next 12 Months Estimate	\$	\$	\$
Current Year Estimate	\$	\$	\$
1 <sup>st</sup> Prior Year	\$	\$	\$
2 <sup>nd</sup> Prior Year	\$	\$	\$

Number of employees (Exclude clerical and sales staff): \_\_\_\_\_

What percent of your subcontractors are uninsured? \_\_\_\_\_%

Subcontracted Operation	1099 Amount	Subcontract Costs	Does Sub carry own Insurance?
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	

Indicate the anticipated percentage of construction work, over the next twelve months, to be performed by you using percentage of your payroll under "Direct" and percentage of contract costs under "Subbed" as the basis:

TYPE OF WORK	Direct	Subbed	TYPE OF WORK	Direct	Subbed	TYPE OF WORK	Direct	Subbed
Blasting	%	%	Excavation	%	%	Roofing	%	%
Bridge Building	%	%	Grading	%	%	Seismic Retro-Fitting	%	%
Carpentry	%	%	Insulation	%	%	Sewer	%	%
Concrete	%	%	Maintenance	%	%	Steel (Structural)	%	%
Dams or Levees	%	%	Masonry	%	%	Steel (Ornamental)	%	%
Demolition	%	%	Mechanical	%	%	Street / Road	%	%
Drilling	%	%	Painting	%	%	Supervisory Only	%	%
Earthquake Repair	%	%	Plastering	%	%	Water / Gas Mains	%	%
Electrical	%	%	Plumbing	%	%	Other (Describe)	%	%

Please indicate percentage of work performed on the following types of construction:

**Current**

	%	New Construction
	%	Remodelling
	%	Service; Repair

100% Total

**Past Ten Years**

	%
	%
	%

100% Total

**Current**

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

100% Total

**Past Ten Years**

	%
	%
	%
	%
	%
	%
	%
	%

100% Total

**Current**

	%	Texas Operations
	%	Operations Outside of Texas

100% Total

**Past Ten Years**

	%
	%

100% Total

- Please explain in detail any Out-of-State operations in Addendum 2, under comments.

Indicate Number of:

- Condominiums, multi-unit dwellings or townhouse projects completed in the last five years: \_\_\_\_\_
- Condominiums, multi-unit dwellings or townhouse projects forecast for the next 12 months: \_\_\_\_\_
- Tract home projects completed in the last ten years: \_\_\_\_\_
- Individual housing starts: Last 12 months: \_\_\_\_\_ Forecast for the next 12 months: \_\_\_\_\_

Indicate if you, or any of your subcontractors, have ever performed any of the following work:

	Yes	No
Work at a landfill, waste, recycling or environmental remediation site?		
Railroad track/track bed construction, repair or maintenance		
Installation or servicing of automatic sprinkler or fire suppression systems?		
Installation of fire alarms or smoke detectors?		
Installation, servicing or repair of high-pressure boiler systems?		
Waterproofing or swimming pool construction		
Work involving the use of explosives? (including subcontractors)		
Earthquake retrofit?		
Installation, testing or removal of petroleum or any other under or above ground storage tanks?		
Asbestos or lead paint abatement or removal?		
Retaining Walls or Foundations? – Caissons, Cantilever, Piers; Shoring or other heavy structural engineering techniques		
Application of "Exterior Insulation Finish Systems" (AKA Synthetic Stucco)?		
Construction management for a fee		

Is any work performed below grade? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, maximum depth \_\_\_\_\_ feet  
 % of total work \_\_\_\_\_

If your work involves grading, please advise the percentage split between:  
 Rough Grading: \_\_\_\_\_% and finish grading: \_\_\_\_\_%

If your work involves grading, excavating, concrete or foundation work on residential lots and pads, please advise the percentage of that work for the:  
 Past 10 years: \_\_\_\_\_% Next 12 months: \_\_\_\_\_%

Do you work on hillsides or slopes? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please advise details of these exposures for the past five years: \_\_\_\_\_

Average height of building(s) \_\_\_\_\_ stories. Maximum height worked on \_\_\_\_\_ stories

Indicate % of work performed above two stories in height from grade \_\_\_\_\_ %

Have you constructed/built any buildings in excess of 4 stories? Yes \_\_\_\_\_ No \_\_\_\_\_

Is any work within 50' of railroads? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, type of work: \_\_\_\_\_  
 and frequency of the work: \_\_\_\_\_

Do you have any other operations outside the realm of contracting / construction? If so, please provide full details:

\_\_\_\_\_

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

### (3) SUBCONTRACT WORK

Do you have a Subcontractors agreement and indemnity agreement, **with every subcontractor**?

Yes \_\_\_\_\_ No \_\_\_\_\_.

Do these agreements require subcontractors to:

- Carry insurance to the following primary limit: \$\_\_\_\_\_ per Occurrence / \$\_\_\_\_\_ Products/Completed Operations / \$\_\_\_\_\_ General Aggregate (minimum limits of equal to general contractors)? Yes \_\_\_\_\_ No \_\_\_\_\_
- Add named Insured as an additional insured, including both General Operations and Completed Operations, on the policies carried by all subcontractors? Yes \_\_\_\_\_ No \_\_\_\_\_
- Continue this Additional Insured requirement throughout the 10 year statute of limitations? Yes \_\_\_\_\_ No \_\_\_\_\_
- Supply Certificates of insurance throughout the 10 year statute of limitations? Yes \_\_\_\_\_ No \_\_\_\_\_
- Hold harmless the named insured? Yes \_\_\_\_\_ No \_\_\_\_\_
- Provide primary non-contributory wording and a waiver of subrogation wording? Yes \_\_\_\_\_ No \_\_\_\_\_
- **Please attach a full copy of your Subcontractors Agreement.**

### (4) LOSS CONTROL AND RISK MANAGEMENT

#### (A) Safety

Do you have a current safety program that complies with RCLA? Yes \_\_\_\_\_ No \_\_\_\_\_

Where and how often are safety meetings held? \_\_\_\_\_

Please provide names and positions of personnel managing these programs:

\_\_\_\_\_

Indicate type of site protection: Fencing \_\_\_\_\_ Rope Off \_\_\_\_\_ Signs \_\_\_\_\_ Watchman \_\_\_\_\_ Barricades \_\_\_\_\_ Other \_\_\_\_\_

#### (B) Quality Control During Construction

Do you have a structured and active quality management program? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, then;

Name: \_\_\_\_\_

Date Established: \_\_\_\_\_

Name of person managing program: \_\_\_\_\_

Details: \_\_\_\_\_

\_\_\_\_\_

Do you test all land, even if partially developed, prior to purchasing for development?

Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, please advise details of tests: \_\_\_\_\_

\_\_\_\_\_

Please provide a list of tests that are carried out during construction:- \_\_\_\_\_

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 details of services provided:

Do you video tape or take pictures of the construction process? Yes \_\_\_\_\_ No \_\_\_\_\_

Who performs final inspection of work before leaving the job site? \_\_\_\_\_

Describe waste clean up and disposal procedure: \_\_\_\_\_

### (C) Customer Service

Are Home Warranty policies provided for **ALL** single family and multi-family dwelling units?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, are these warranties insurance backed warranties? \_\_\_\_\_

If yes, please advise name of insurance carrier: \_\_\_\_\_

What is the duration of these policies? \_\_\_\_\_

- **Please attach a copy of the policy**

What is the Insured's turn-around time on fixing problems under warranty? \_\_\_\_\_

How do you respond to complaints that occur after the warranty period, but before the ten-year statute has expired?  
\_\_\_\_\_

Do you provide each new homeowner with the following:

- Walk through? Yes \_\_\_\_\_ No \_\_\_\_\_

- Home Owners Manual setting out mandatory inspections and maintenance requirement?

Yes \_\_\_\_\_ No \_\_\_\_\_

Do you have a permanent Post Sale customer service department? Yes \_\_\_\_\_ No \_\_\_\_\_

Number of employees: \_\_\_\_\_

Do you keep written records of all customer service activity? Yes \_\_\_\_\_ No \_\_\_\_\_

Do you get a signed release from the homeowners when warranty or customer service work is completed? Yes \_\_\_\_\_ No \_\_\_\_\_

- **Attach a copy of your Home Warranty Policy**

**(5) LOSSES**

During the last five years, have any claims been asserted against your firm? Yes \_\_\_\_\_ No \_\_\_\_\_

Are you aware of any existing circumstances, which may result in a claim, not previously reported or indicated on a loss run?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are you in negotiation with any construction project owner, developer and/or general contractor in conjunction with alleged construction defects?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, explain in detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**SUMMARY OF LOSSES**

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

Year	Number of Losses	Paid Losses	Outstanding Losses	Paid Expenses	Outstanding Expenses	Total Incurred

Please provide details on all losses paid or reserved in excess of \$10,000 (Including Expenses):

\_\_\_\_\_  
\_\_\_\_\_

**(6) HOME BUILDERS ASSOCIATION**

- Is Applicant a current member of a local home builders association?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes,

i. Which local home builders association? \_\_\_\_\_

ii. In what name is the Applicant's membership? \_\_\_\_\_

**(7) ARBITRATION AGREEMENT**

- Is Applicant using an arbitration agreement with contracts? \_\_\_\_\_ Yes \_\_\_\_\_ No

- If yes,

i. Does applicant use the arbitration agreement with each contract? \_\_\_\_\_ Yes \_\_\_\_\_ No  
Percentage of time using agreement? \_\_\_\_\_

ii. Provide a copy of the agreement with the application.

**(8) CHECKLIST**

- Have you included the following attachments?

Yes	No	
		List of major jobs (including brief description) completed in the last five years.
		List of jobs in progress and major jobs (including brief description) anticipated For the next year.
		Copy of Subcontractors Agreement.
		Copy of Home Warranty Policy
		If new venture please provide full details of experience and results
		Completed addendums as required

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

Date: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Signed by the Agent: \_\_\_\_\_ Date \_\_\_\_\_

Name and Title: \_\_\_\_\_

*It is understood and agreed that the Application above signed by the Insured forms part of this policy and that underwriters hereon shall rely upon the information to determine the acceptability, rates and coverage.*

*It is further understood that any misrepresentation or omission shall constitute grounds for immediate cancellation of coverage and denial of claims, if any.*

*It is further understood that the applicant and/or affiliated company is under a continuing obligation to immediately notify his underwriters through his broker of any material alteration to Information given.*

**Disclosure Summary**

1. The Texas Construction Insurance Company is a Risk Retention Group licensed by the State of Nevada. The Company shall operate as a risk retention group pursuant to the Product Liability Risk Retention Act of 1981, as amended by the Risk Retention Amendments of 1986, and any other relevant state and federal statutes.
2. If approved, applicants will be required to become a stockholder with the Texas Construction Insurance Company. Members may satisfy the required subscription fee of 50% of their first year anticipated premiums over a three year period described in the following payment pattern:
  - 25% of their first year premium,
  - 15% of the second year premium, and
  - 10% of the third year.

**ADDENDUM 1**

**APPLICANT INFORMATION (CONTINUED)**

LIST ALL OTHER NAMED INSUREDS TO BE INCLUDED:

	<b>NAMED INSURED</b>	<b>INDICATE IF CORPORATION, LLC COMPANY, JOINT VENTURE, PARTNERSHIP OR SOLE PROPRIETOR</b>	<b>NUMBER OF YEARS IN BUSINESS</b>	<b>LICENSE NUMBER AND TYPE</b>	<b>DESCRIBE ALL OPERATIONS OF EACH NAMED INSURED</b>
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

