



Agent's Kit: Roofing Contractors

Association Information

The National Roofing Contractors Association (NRCA) has approximately 4,800 members from all 50 states and 56 foreign countries. The members are engaged primarily in the installation and repair of roofs. Other operations that they perform, such as sheet metal flashing, gutters, downspouts, insulating and waterproofing, are done in conjunction with installing a roof. Founded in 1886, NRCA is one of the oldest associations in the construction industry.

NRCA has endorsed the CNA insurance program since 1980.

Industry Profile

The U.S. roofing industry is composed of about 25,000 firms, the vast majority of which are small, privately held companies. The industry employs about 300,000 people; about 200,000 of them are roof mechanics--people who are involved in the application of roofs.

NRCA contractor members range in size from small businesses to very large commercial contractors. Many have been in business for more than a quarter of a century. NRCA members account for approximately two-thirds of all roofing work performed annually in the U.S.

Emerging Trends

Consolidation: Consolidation is occurring as a result of "roll-ups" business models that often act as integrated suppliers of services to their customers.

Workforce Issues: The roofing industry is impacted by an aging workforce and a shortage of qualified production employees. The sponsoring association has initiatives in place to address training and apprentice programs.

Green Roofs

Vegetative roofs are becoming increasingly common. Benefits can include reduction of the urban 'heat island' effect, improved rain water runoff, and even enhanced roof system longevity. Concerns include extra weight on roof systems, planting and servicing of vegetation by individuals other than roofers who are not familiar with necessary fall protection measures, and proper drainage design. The association is a good resource for further information on this topic.

Solar & PV Technology

Using the sun's energy to generate electricity is gaining momentum in today's environment of high energy costs. Such systems can be incorporated into the building fabric or cladding materials, and mounting them on roofs is also gaining popularity. Benefits are little or no noise, no transportable fuels and no air pollution. Concerns include damage to the roof membrane when such equipment is mounted and failure of the system to perform. The process requires the roofing contractor to have thorough knowledge of the systems and to maintain close relations with a qualified and reliable electrical contractor for the hook up operations.

One or more of the CNA companies provide the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. Use of the term "partnership" and/or "partner" should not be construed to represent a legally binding partnership. CNA is a registered trademark of CNA Financial Corporation. Copyright © 2014 CNA. All rights reserved.

Lightweight Structural Concrete

Lightweight structural concrete has a much higher moisture content than standard concrete and can take years or even decades to fully cure. Standard moisture tests normally do not indicate an increased moisture level, and installing a roofing system over LSC can lead to latent water damage claims after the roof is installed.

Program Eligibility

This program is designed to attract roofing contractors engaged in industrial and/or commercial installation, service and repair.

Eligible Operations

Fifty-one percent (51%) or more of the payroll and receipts must be derived from the following operations performed by the insured:

- Roofing
- Roofing-related sheet metal work (flashing etc.)
- Roofing-related insulation
- Roofing-related waterproofing

The roofing-related payrolls must be at least \$200,000 (sales and clerical payroll do not count toward the minimum).

Deductible - A minimum mandatory general liability **property damage deductible** of \$1,000 per occurrence will apply. Higher deductibles are permissible.

Ineligible Operations

Due to the severity exposures presented, the following operations are ineligible:

- Any asbestos abatement work performed within a building or structure (below the roof deck)
- Any risk that does more than 25% torch applied roofing applications. Note: Restrictions apply to torch use.
- A Below Average grading for any of the four workers' compensation fall exposure categories in the Risk Selection Guide – obtain a copy from your local branch underwriter
- Residential work if more than incidental

Eligible Classifications

Description	SIC Code	ISO Class Code	NCCI Class Code
Sheet Metal Work - Outside *	1761-1	98884	5538
Roofing - Commercial	1761-2	98677	5551

* Must be roofing related to count toward eligible payroll.

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Specialized Coverages

(PLEASE QUOTE ALL SPECIALIZED COVERAGES WITH EVERY PROPOSAL)

General Liability Extension Endorsement (GLEE): This endorsement provides numerous enhancements to the general liability coverage part, including but not limited to: aggregate limits per project; blanket waiver of subrogation; excess and "difference in conditions" coverage for the Named Insured for work performed under non-residential wrap-ups; contractual liability coverage for work done within 50 feet of railroad tracks; contingent coverage for the insured's interest in past joint ventures, partnerships and LLCs (except those that were insured under a wrap-up insurance program); liberalization clause for coverages provided by the GLEE.

Environmental Response Costs Reimbursement

Endorsement to the CGL policy which provides up to \$25,000 coverage to reimburse you for corrective actions ordered by the EPA for debris removal to a governmentally approved waste site.

Roofing Contractors Limited Pollution Coverage – Work Site:

Endorsement to the CGL policy which provides coverage for third party bodily injury and property damage, including clean up costs, which directly results from a covered work site pollution incident.

Roofing Contractors – Limited Pollution Liability Coverage: This endorsement to the CGL policy provides coverage for third party damages caused by a release of pollutants both

- 1) from premises owned, rented to, or occupied by the insured contractor (72 hour restriction applies), as well as
- 2) at or from work sites where the insured is performing operations.

Coverage for both of the above pollution endorsements is on an occurrence basis. A separate set of limits up to \$1,000,000/1,000,000 is provided for this coverage in addition to the limits provided by the CGL. Defense costs are covered in addition to the policy limits.

Note: The asbestos exclusion attached to all general liability roofing policies does not apply to the coverage afforded by these endorsements.

Transportation of Designated Pollutants: This endorsement to the Business Auto policy provides third-party coverage for bodily injury, property damage and clean up costs resulting from a collision or overturn of a covered auto and involving pollutants that are named in the endorsement. "*All pollutants transported by the Insured*" is acceptable wording.

Broadened Auto Pollution Liability Coverage: This endorsement to the Business Auto policy provides third-party bodily injury, property damage and clean-up costs resulting from pollution spills and noxious fumes involving a covered auto while in transit or at the job site. Unlike the Transportation of Designated Pollutants form, this endorsement does not limit coverage to designated pollutants and does not state an accident must result from a collision or upset. Thus, coverage is provided for accidents from tar kettle and tanker fumes while being transported by, or conveyed in, a covered auto. An aggregate limit must be typed on the endorsement schedule and applies only to the additional insurance provided by the endorsement.

Contractors Equipment Loss of Income Coverage: A contractor may suffer a loss of revenue resulting from loss of use of equipment necessary to complete the work in progress. This endorsement is available to address such an exposure.

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CONTRACTORS ERRORS & OMISSIONS AND POLLUTION INCIDENT LIABILITY

Contractors Errors & Omissions and Pollution Liability Policy: This claims-made/non-admitted policy form combines the coverage features of both the Contractors Errors & Omissions and Contractors Pollution Liability Policy into a single policy form (specific coverage features for each offering is below).

Placing both the professional and pollution liability coverage under a single policy form mitigates potential conflict when pollution claims arise which may be caused by a combination of both "professional services" and the job site activities of the contractor.

Additional information may be obtained by visiting www.cna.com.

NOTE: Contractors Errors & Omissions and Contractors Pollution Liability are non-admitted, claims made. Agents accessing these programs must have their E&S license.

Contractors Errors & Omissions Policy: This claims-made/non-admitted policy form may be available in conjunction with the LICA Program, and/or as a stand-alone coverage. Coverage is provided for "Errors and Omissions" (as defined within the policy) and includes the following:

- Claims alleging faulty workmanship, design errors & omissions, and the use of defective materials or products
- Use of Building Information Modeling (BIM) systems
- Alleged negligent acts, errors or omissions by the insured or a person acting on its behalf in the performance of design services
- Worldwide coverage for claims brought in the U.S.
- Optional extended reporting period for one to five years

Contractors Pollution Liability Policy: This claims-made/non-admitted policy form may be available in conjunction with the LICA Program, and/or as a stand-alone coverage. Coverage is provided for "pollution incidents" (as defined within the policy) including:

- Proactive coverage for mold
- No exclusion for asbestos, respirable dust or silica arising from jobsite activities of the contractor or anyone for whom they are legally liable.

This policy form provides coverage for both gradual and sudden and accidental "pollution incidents" on the job site, as well as pollution migrating to adjacent properties, up to the full policy limit, including government-mandated clean-up costs.

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Risk Control

A risk control report is required before quoting or binding new business and on any renewal that has not had a survey in the past two years.

Asbestos

Based on the variety of materials containing asbestos in the roofing industry, we view the asbestos exposure as inherent to roofing operations. It can be present in cements, coatings, sealants, mastics, flashing material, felts, shingles and tiles. It is commonly referred to as ACRM or "Asbestos-containing roofing material" which is defined as material containing 1% or more of asbestos. This material can be "friable" meaning that when the material is dry, it can be crumbled, pulverized or reduced to powder by hand pressure; or it can be "non-friable" which means that when the material is dry it cannot be crumbled, pulverized or reduced to powder by hand pressure. This condition of friable vs. non-friable can change depending on the method used to remove old roofing material. It is not always a known factor when the job is started. CNA does not want to insure risks engaged in asbestos abatement work below the roof deck.

Cross Marketing Opportunities

MANAGEMENT & PROFESSIONAL LIABILITY

Employment Practices Liability: Provides coverage to companies of every size for claims alleging discrimination, harassment, wrongful termination and other employment related practices.

Directors & Officers Liability: Provides coverage to directors & officers for claims alleging misstatements, misrepresentation, and errors and omissions.

Commercial Crime & Fiduciary Liability: Covers businesses for property loss resulting from crime and fiduciaries from liabilities that arise from overseeing health and benefit plans.

CNA SURETY

CNA Surety: Roofing contracting firms need competent and reliable surety bond relationships to thrive. Contractors want a surety that's profitable, stable and financially strong. CNA Surety combines all those qualities and provides bonding services to all types and sizes of contractors from coast to coast. Contact your local CNA Surety branch manager for more details.

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Marketing Materials

For additional program-related materials, please visit CNA's [Agent Center](#).

Commission Structure

Workers' Compensation	Per Agency	Agreement New & Renewal
Package/Auto	New 15%	Renewal 10%
Umbrella	New 15%	Renewal 15%

Submission Procedure

For All Contractors: Complete NRCA Supplemental Application & requisite ACORD forms and forward to the Maitland Processing Center at CINEWBusiness@cna.com

Resources

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