



# **SPARTA INSURANCE PROGRAM**

*SERVICE PROVIDERS & ARTISAN TRADESMAN ACTIVITIES INSURANCE PROGRAM*

**CITY OF LOS ANGELES**

## **PROVIDING**

### **COMMERCIAL GENERAL LIABILITY**

\$1,000,000 PER OCCURRENCE/ \$2,000,000 GENERAL AGGREGATE

### **NON-OWNED & HIRED AUTOMOBILE LIABILITY**

AVAILABLE

### **MISCELLANEOUS PROFESSIONAL LIABILITY**

\$1,000,000 PER OCCURRENCE/\$3,000,000 GENERAL POLICY AGGREGATE

***Consultants, Contractors, Service Providers & Tenants***

## **TOLL FREE NUMBER**

**1-800-420-0555**

## **ON-LINE APPLICATIONS AT**

**www.2sparta.com**

## ***Pre-Approved Coverage***

*Free 24 Hour Quotation*

*Prior Insurance Coverage Not Required*

*Coverage Issued for Contract Periods of One Day to Annual*

*Hassle-Free Applications*

*We Do All the Paperwork*

**CALL OR APPLY ON-LINE FOR YOUR FREE QUOTE TODAY**

P.O. Box 4309, Fullerton, CA 92834

License #OCO4849

Website: [www.2sparta.com](http://www.2sparta.com)

# **S.P.A.R.T.A.**

SERVICE PROVIDERS AND ARTISAN TRADESMAN ACTIVITIES  
CITY OF LOS ANGELES  
October 2009

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## **WHAT IS SPARTA:**

SPARTA was designed to provide Commercial General Liability, Professional Liability and Non-owned Automobile Liability coverage to tradesmen, artisans, contractors and tenants who would not otherwise be able to provide the insurance limits needed to successfully bid and compete for Public Entity business opportunities.

## **THE SPARTA ADVANTAGE:**

- Allows the Public Entity to access small local contractors and minority tradesmen thereby keeping their budget dollars within their community.
- Eliminates the costly and often difficult task of acquiring, confirming and storing Certificates of Insurance received from contractors.
- Provides the Public Entity with monthly reports as to the number of participants, size of the contracts, loss information and specific department activity.
- The collection of premiums, assessment of exposures and the production of the **SPARTA PROGRAM** are the total responsibility of Municipality Insurance Services, Inc.
- Provides the Public Entity with a policy of insurance that has been tailored to their specific requirements and needs.
- Enhances the fairness and openness of the entire bid process.

## ***ADVANTAGE TO TRADESMAN, CONTRACTOR OR VENDOR***

- No hassle 24-hour quote turnaround.
- Does not require any prior insurance coverage, application or loss runs to participate in the **SPARTA PROGRAM**.
- Allows contractors to purchase coverage for a specific job or contract they have received, thereby lowering their insurance costs.
- Tradesmen, contractors and vendors receive insurance coverage that has been pre-approved by the Public Entity.

## ***HOW DOES SPARTA WORK?***

The artisan, consultant, contractor, vendor or tradesman would call our toll free 800 number. One of Municipality's licensed professionals would determine the scope of work performed and what coverages are required by the Public Entity. After ascertaining the kind of work performed and the length of the contract, we would fax or mail the potential contractor a quotation. This document contains specific information they will require to purchase the coverage. If they elect to use the **SPARTA PROGRAM**, they send a cashier's check or money order for the amount of the premium to Municipality Insurance Services, Inc.. Upon receipt of this, we will issue a Certificate of Insurance based on the Public Entity's pre-approved master policy and coverage will be activated. Our website [www.2sparta.com](http://www.2sparta.com) provides for payment by credit card.

At the end of each month, we provide the Public Entity with a copy of all the contractors, vendors and tradesmen who have been issued coverage through the program. This report includes the name of the contractor, the contract or voucher number, when available, the premium paid, department requesting the coverage and what lines of coverage were written. A copy of each certificate issued will be attached to this report. The Public Entity will also receive a claims status report of any new or ongoing claims. Our office will notify the participating certificate holder sixty (60) days prior to expiration of coverage and notify your office if they fail to renew their coverage.

## ***HOW DO YOU ACCESS SPARTA?***

Accessing the **SPARTA PROGRAM** is as simple as a toll free telephone call. Our toll free number is 1-800-420-0555. Our fax number is 1-714-687-1106. You may also access our website at [www.2sparta.com](http://www.2sparta.com) or e-mail us at [carol@2sparta.com](mailto:carol@2sparta.com). We will be looking forward to hearing from you. Give us a call and we will do the rest.

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1. **POLICY FORMS:** Commercial General Liability-New Occurrence Form  
Designated Professional Liability (by endorsement)  
Non-Owned Automobile Liability (by endorsement)
  
2. **POLICY LIMITS:** Commercial General Liability  
\$1,000,000 per Occurrence  
\$2,000,000 General Aggregate  
\$1,000,000 Products and Completed Operations  
\$1,000,000 Personal and Advertising Injury  
\$ 100,000 Fire Damage (any one fire)  
\$ 5,000 Medical Expense  
  
Coverage Available by Endorsement to the General Liability  
\$1,000,000 Professional Liability  
\$1,000,000 Non-Owned Automobile Liability
  
3. Deductible: \$500.00 Bodily Injury and Property Damage per claim including loss adjustment expense. The participating public entity will be responsible for payment of the deductible if the certificate holder defaults or is unable to pay.
  
4. Claims to be reported to Municipality Insurance Services, Inc. Should a claim be received by either the Public Entity or Municipality Insurance Service, Inc., it will be the responsibility of the recipient of the report to inform all parties: the Public Entity, agent and carrier as soon as possible.
  
5. Policy will be issued with the following named insured:  
  
Service Providers & Artisan Tradesman Activities - General Liability Program for the Designated Public Entity.
  
6. The following will be "Named Additional Insured:"
  - a. The participating Public Entity and its Departments
  - b. Each Certificate Holder
  
7. The following may be added as Additional Insureds to specific Certificates as needed for a charge of \$100.00 each and applicable tax and fee:
  - a. Adjacent property owners, public or private, who grant the Public Entity or the certificate holder access via their premises.
  - b. Benefactors, public agencies or private, non-profit organizations that contribute or distribute funds for projects.
  - c. Additional interest parties: construction managers, design professionals, adjacent public utilities, railroads, co-operating public agencies not directly involved in construction activities.

8. General Contractors may be named as Additional Insureds in conjunction with projects funded by the Public Entity and as long as the subcontracted work meets the Hazard I and II guidelines and does not appear on the prohibited list. A charge will be made for this service of \$100.00, plus applicable Surplus Lines Association (SLA) tax and fees. An extra copy of the certificate will be provided.
9. Master policy to issued by Max Specialty Insurance Company (Best rated A-XIII), for a one (1) year effective period with coverage to be extended for an additional twelve (12) months after expiration for certificates issued during that policy period even if the policy is not renewed by the election of either the participating Public Entity or the Company.
10. A Certificate can be issued in several ways:
  - a. For the specified contract awarded with the effective date of the certificate to coincide with the effective date of the specific contract and to expire in accordance with the contract period not to exceed twelve (12) months from the date of issuance. Example: If the Public Entity issued a three (3) year contract the certificate would be issued for twelve (12) months and the premium would be predicated on one third of the contract value. If at the end of that twelve (12) month period the program is still in use, they would need to be issued a new Certificate for an additional twelve (12) months based on one-third of the total original contract value. Coverage may be limited to the specific contract the Certificate is issued for.
  - b. Certificates issued for a specific project and length of time can be extended if the project is extended on a monthly basis as needed as long as there is no lapse in coverage.
  - c. Certificate of Insurance can be issued on an annual basis for those suppliers, contractors and vendors who work on an “as needed basis” or provide a service on an annual basis.
11. All premiums will be subject to a Surplus Lines Association Tax and Stamping Fee. Commercial General Liability will have a fully earned Certificate fee based on 1% of the premium written with a \$100.00 minimum fee. A \$100.00 fully earned minimum fee will be charged for each additional line of coverage written or 1% of the written premium whichever is greater.
12. Certificates will be issued by Municipality Insurance Services, Inc., and will be issued under a “block” of sequential numbers to be determined at the time the master policy is issued.
13. Each Certificate will have four (4) copies to be distributed as follows: the Certificate Holder, the Public Entity, Municipality Insurance Services, Inc., the Surplus Lines Broker and Max Specialty Insurance Company. Disbursement will be the responsibility of Municipality Insurance Services, Inc.
14. Premiums will be collected at the time of issuance of the certificate by Municipality Insurance Services Inc. **Premiums will be paid by the vendor or contractor by cashier’s check or money order payable to Municipality Insurance Services, Inc.. All such premiums will be fully earned at inception. No refunds will be given after inception.**
15. Municipality Insurance Services, Inc. will provide the Public Entity, the General Agent and the Company with a monthly report of all certificates issued from the first calendar day of the month to the last calendar day of the month. This report will be distributed to the Public Entity, the General Agent and the Company no later than the 10<sup>th</sup> day of the following month.

16. Exposures will be divided into six (6) hazard classes based on exposure:

<b>Hazard I</b>	Service Providers
<b>Hazard IA</b>	Tenants
<b>Hazard IB</b>	Vendors and Push Carts
<b>Hazard II</b>	Artisan Contractors & Tradesmen
<b>Hazard IIB</b>	General Liability with Professional Liability
<b>Hazard III</b>	Prohibited Operations

17. **Service operations** will be classified as **Hazard I exposures**. The rate will be 0.75% of the contract value. Contracts with 90 days or less in duration and \$90,000 or less in contract value are subject to the following minimum premium schedule:

<b>Contract Value</b>	<b>Minimum Premium</b>
0-\$12,500	\$350.00
\$12,501-\$25,000	\$425.00
\$25,001-\$37,500	\$500.00
\$37,501-\$90,000	\$650.00

Contracts exceeding the 90 days, but with less than \$90,000 in contract value will be charged \$75.00 for each additional month not to exceed an annual charge of \$950.00. Minimum annual premium for this class will be \$950.00 plus a \$100.00 certificate fee and SLA Tax and Fee.

18. **Hazard Class I Schedule without Professional Liability\*** (to include but not limited to the following):

- Caterers (with no public exposure)
- Computer software (including training classes)
- Distributors (all varieties)
- Electronic data processing
- Express companies
- Freight forwarders
- Laundries
- Mailing/addressing companies
- Office machine service/repair
- Office machine installation
- Paper products distributors
- Photographers
- Printers
- Temporary employment agencies (clerical only)
- Rental companies (other than autos or contractor equipment)
- Uniform suppliers
- Vending machine operations

\* Hazard class I risks with miscellaneous professional liability will be classified and rated as Hazard IIB

19. **Hazard Class I-A** was designed for risks that lease, rent, or occupy space owned by the Public Entity. It provides the full **SPARTA** coverage limits with the stipulation that products may be excluded if they are determined by the underwriter to be too hazardous. (Should products be excluded, the certificate and quotation will be clearly noted.) The premium is based on the number of square feet occupied and can be written short term or annually. Rates and minimum premiums are as follows:

Building or Premises-\$75.00 per month per 1,000 sqft occupied or \$350.00 per 1,000 sqft occupied annually.  
Annual Minimum Premium \$950.00

Parking Private-County property rented to others: \$25.00 per vehicle per day or \$350.00 per vehicle annually.  
Annual Minimum Premium \$950.00

\*Parks or open land-rented or leased to others: \$250.00 per day or \$350.00 per acre annually.  
Annual Minimum Premium \$950.00

**\*Parks that host or sponsor athletic events or playing fields are excluded from this class.**

20. **Hazard Class IB** was designed for pushcart, snack bars and kiosks occupying space on city, county or public entity property. They must be licensed by the city, county or public entity and have a permit. Food service occupancies must have a current Health Department Permit. The premium basis is per location. Rating classes are as follows:

Vendors, pushcarts, snack bars and kiosks selling non-food items or food packaged and processed by others and not heated or reheated will be charged \$250.00 annually.

**Examples:** Shoeshine stands, flowers, canned soda, bottled water, packaged chips, cakes or candy, newspapers, books or magazines.

Vendors, pushcarts, snack bars and kiosks selling food items that are heated, reheated, cooked or packaged by the vendor will be charged \$275.00 annually.

**Examples:** Hot dogs, dispenser soda or ices, coffee, fruit or vegetables, pretzels, cotton candy, popcorn and unpackaged bakery goods.

Coverage may be purchased biannually or annually only.

21. **Artisan contractors and tradesmen** will be classified as **Hazard II** exposures. The rate will be 1.0% of the contract value. Contracts with 90 days or less in duration and \$95,000 or less in contract value will be subject to the following minimum premium schedule:

<b>Contract Value</b>	<b>Minimum Premium</b>
0-\$16,250	\$450.00
\$16,251-\$33,000	\$650.00
\$33,001-\$50,000	\$825.00
\$50,001-\$95,000	\$950.00

Contracts exceeding 90 days but with contract values of \$95,000 or less will be charged a flat \$55.00 for each additional month not to exceed an annual flat charge of \$1,000.00, plus the SLA tax and fee. The annual minimum premium for this class will be \$1,000.00, plus \$100.00 certificate fee and the SLA tax and fee.

22. **Hazard Class II Schedule** (to include but not limited to the following):

Alarm installation, service or repair  
Cabinetmakers  
Cable or telephone system installation  
Carpentry-all classes  
Carpet cleaning and installation  
Caterers (with public exposure)  
Communications equipment installation  
Consultants (with public exposure) - **Must be submitted to carrier for approval.**  
Cement or concrete floors  
Concrete construction- **Must be submitted to carrier for approval.**  
Conduit construction-within buildings or repair & service of existing lines  
Debris removal  
Decorating  
Demolition-under two stories-no explosives or wrecking ball  
Door or window installation or repair  
Drywall/wallboard installation or repair  
Electrical work within buildings  
Excavation- **Must be submitted to carrier for approval.**  
Fence installation or repair  
Fire extinguisher service  
Fire suppression systems installation, service or repair  
Floor covering installation  
Furniture or fixtures installation, service or repair  
Glass installation  
Grading of land- **Must be submitted to carrier for approval.**  
Graffiti removal  
Heating and air conditioning installation, service or repair  
Janitorial service  
Landscaping, lawn mowing, tree trimming or gardening  
Locksmiths  
Metal erection-artistic or decorative  
Masonry work  
Modular building erection  
Painting-interior  
Painting-exterior under three (3) stories  
Paper hanging  
Pest control- **Must be submitted to carrier for approval.**  
Plumbing  
Security guards-unarmed only-excluding rock concerts and sporting events and airports  
Sheet metal work  
Sign painting and lettering within buildings or under two (2) stories  
Tile, stone or marble installation  
Window cleaning-interior  
Window cleaning-exterior under three (3) stories

Note: General Contractors may be written in the program as long as the work they are performing conforms to the program guidelines and any subcontractors hired by them are also certificate holders in the program or provide proof of insurance with like limits naming our insured and the public entity as "Additional Insureds". Residential Construction Contractors are excluded from this program.

23. **Hazard IIB-** Commercial General Liability written in conjunction with Miscellaneous Professional Liability for operations eligible for coverage under the exposures listed in Hazard I & II. Commercial General Liability rate will be 1.25% of the annual contract value subject to \$1,250 minimum annual premium. Professional Liability will be subject to a minimum premium of \$1,250.00 or 1.25% of the annual contract value (whichever is greater).

24. **Hazard Class III-** the following operations are not eligible for the program and are prohibited operations:

Airport control tower construction, service or repair  
Airport control tower equipment installation, service or repair  
Airport runway or warming apron construction, service or repair  
Airport security  
Aircraft service or maintenance  
Ambulance services  
Alarm monitoring  
Blasting operations  
Boat or shipbuilding  
Bridge or elevated highway construction  
Building structure raising or moving  
Caisson or cofferdam work  
Construction of buildings-more than one (1) story  
Dredging  
Drilling  
Earthquake retrofitting (not to include repair or debris removal)  
Electric light or power line construction  
Elevator repair, service or installation  
Emergency or rescue services  
Fire proofing (not to include fire suppression installation, service or repair)  
Fire suppression system installation, service or repair  
Garbage, ash or refuse collection (not to include janitorial operations)  
Gas mains or connections construction  
Homes, halfway houses and other similar facilities  
Metal work or erection-structural or load bearing  
Parks that host or sponsor athletic events or playing fields  
Pier or dock construction or repair  
Pile driving  
Pipeline construction or installation  
Printers E&O  
Railroad construction or repair  
Residential Construction Operations  
Tank construction or installation  
Street, road or highway construction, paving or re-paving  
Primary construction of the following:  
Steam mains or connections  
Sewer main or storm drain construction  
Water or sewer man construction  
Underpinning of buildings or structures

25. Municipality Insurance Service, Inc. will provide the public entity with materials explaining the program and how the service providers and contractors can access the program.

- A. Flyers will be provided with the toll free 800 number.
- B. Hard copy quotations will be provided to the service providers with copies to the Public Entity at their request.
- C. Municipality Insurance Services, Inc. will attend seminars, workshops and meetings as the Public Entity deems necessary to promote the **SPARTA PROGRAM**.

### **CERTIFICATE FEES**

All premiums will be subject to a Surplus Lines Tax and Stamping Fee. Commercial General Liability will have a fully earned Certificate fee based on 1% of the premium written with a \$100.00 minimum fee. A \$100.00 fully earned minimum fee will be charged for each additional line of coverage written or 1% of the written premium whichever is greater.

Premiums under \$500.00 will be charged a \$50.00 Certificate Fee.

## MASTER POLICY MANDATORY FORMS

<b>Master Policy Mandatory Forms:</b>	
CG0001(12/07)	Commercial General Liability Coverage Form
CG2134	Exclusion- Designated Work- All work in NY
CG2136	Exclusion- New Entities
CG2147	Employment Related Practices Excl
CG2153	Exclusion- Designated ongoing operations-All work in NY
CG2154	Exclusion- Wrap Ups
CG2167	Fungi or Bacteria Exclusion
CG2186	Exclusion- EIFS
CG2196	Silica or Silica-Related Dust Excl
CG2234	Exclusion- Construction management Errors and Omissions
CG2243	Exclusion- Engineers, Architects, or Surveyors
CG2279	Exclusion- Contractors- Professional Liability
IL0017	Common Policy Conditions
IL0021	Nuclear Energy Liability Exclusion
ILN018	CA Fraud Statement
MXG111	Exclusion- Abuse or Molestation
MXG112	Exclusion- Lead Contamination
MXG122	Punitive Damages Exclusion
MXG151	Exclusion- Earth movement
MXG157	Exclusion - Asbestos
MXG169	Violation of Statutes That Govern Emails, Fax Phone Calls
MXM100	Minimum Earned Premium
MXM101	Service of Suit
MXM103	Privacy Policy
MXM106 CA	Important Notice
CG0300	Deductible Liability Insurance

<b>Specific Endorsements:</b>	
CG2426	Amendment of Insured Contract Definition
MXG103	Independent Contractors Conditional Endorsement
MXG102	Limitation to Designated Class Endorsement
HIRED/NON OWNED AUTO ENDORSEMENT (WHEN APPROVED BY CARRIER AND CHARGED)PROFESSIONAL LIABILITY (WHEN APPROVED BY CARRIER AND CHARGED)	

<b>Specific Exclusions:</b>	
CG2149	Total Pollution Exclusion
MXG611	Exclusion- Prior Work
MXG108	ASSAULT & BATTERY
MXG109	COMMUNICABLE DISEASE
MXG105	Exclusion- Injury to Independent Contractors
MXG104	Exclusion- Pre-Existing or Progressive Damage or Defect
MXG101	New Residential Construction exclusion
MXG610	Exclusion- Cross Suits
CG2116	PROFESSIONAL LIABILITY
CG2101	ATHLETIC OR SPORTS PARTICIPANTS
MXG158	Legal Fee Exclusion - California