



## ***E-COMMERCE IN INSURANCE AND CONSTRUCTION***

Presented by

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The Internet has introduced the construction and insurance industries to new ways of doing business. While the explosion in online products and services has caused some to throw up their hands in surrender, others have embraced the Internet as a tool for improving their business processes. Whether you are in the former category or the latter, or somewhere in between, this session will introduce you to some new and exciting Internet resources. Learn what some insurers and other providers are doing to improve their service to construction clients.

***Thursday, November 16, 9 a.m.–noon***

# After all... what could possibly go wrong !

## Providing Risk Management Solutions to the Construction Industry

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**J. Kent Holland, Jr.**  
**Risk Management Consultant**  
**A/E Professional Liability Unit**  
**Zurich Insurance**

Mr. Holland is one of the presenters for Workshop N, "E-Commerce in Insurance and Construction," on Thursday. He is director of Risk Management Services, Engineering/Technology Unit, for Zurich-American Specialties Insurance in New York. He was formerly a partner in the law firm of Wickwire Gavin, P.C., in Washington, D.C., where his practice emphasized construction and environmental law. From 1982 to 1986, he was an attorney with the Environmental Protection Agency (EPA) Office of General Counsel. He is a frequent speaker and author on risk management and construction project claims, particularly with regard to potential environmental liabilities. His work has appeared in several *Wiley Construction Law* books. He is a former chair of the Environmental Committee of the American Bar Association Public Contract Law Section and is an active member of the Hazardous Waste Committee of the Associated General Contractors of America, for which he edited and coauthored *Environmental Risk Management Procedures Manual of the Construction Contractor*. Mr. Holland is a graduate of the Villanova University School of Law.

**Timothy L. Pierce**  
**Partner**  
**Thelen Reid and Priest LLP**

Mr. Pierce is one of the presenters for Monday's all-day seminar, "Contractual Risk Transfer," and is also one of the presenters for Workshop N, "E-Commerce in Insurance and Construction," on Thursday. A partner in the Los Angeles office of Thelen Reid & Priest LLP, he is a member of the firm's Construction and Government Contracts practice group and his practice focuses on the construction industry. Mr. Pierce also represents insureds in insurance coverage disputes and in addressing risk management issues in the construction industry. He writes and speaks regularly on risk management issues in the construction industry.

Mr. Pierce graduated from Virginia Tech with a bachelor of science and a master of science in mechanical engineering and was employed as a manufacturing engineer with Hewlett Packard before attending law school. He received his J.D. degree from the University of Santa Clara. Mr. Pierce is a member of the American Bar Association and the Fiscal, Insurance, and Risk Management and Legal Advisory committees of the Associated General Contractors of California.

**Luci Morris-Tyndall**  
**Vice President,**  
**Chief Information Officer**  
**Swinerton, Inc.**

Ms. Morris-Tyndall is one of three speakers for Thursday's "E-Commerce in Insurance and Construction" miniseminar. As vice president and chief information officer of Swinerton Incorporated, she oversees information technology and project controls. She joined Swinerton & Walberg Builders in 1977 as a project engineer and project manager. In 1994, she transferred to Swinerton Management & Consulting and in 1997 advanced to the post of vice president and operations manager. She achieved the position of chief information officer in 1999.

Ms. Tyndall is an active member of CIE—Construction Information Executives, and also sits on The Associated General Contractors, California, Information Technology Task Force. She is a regular presenter at industry conferences and a participant in the University of California Berkeley Contractor Business Development Program. Tyndall is a regular guest speaker in the San Francisco State University Construction Practices Program.

# ***E-COMMERCE IN INSURANCE AND CONSTRUCTION***

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*J. Kent Holland, Jr.  
Zurich Insurance*

## **I. Introduction to E-Commerce**

- A. Use by insurance carriers
- B. Use by insurance agents
- C. Use by the A/E/C industry

## **II. Web Site Information Tools (Including Risk Management) by:**

- A. Insurance companies
- B. Insurance brokers
- C. Law firms
- D. Trade associations
- E. Commercial enterprises
- F. Schools and libraries

## **III. Web-Based Tools for Insurance Agents**

- A. Interface with carriers
- B. Interface with customers
- C. Applications, forms and documents

## **IV. What Will Commercial Lines Insurance on the Web Look Like?**

- A. Review of personal lines insurance Web sites
- B. Review of Web sites venturing into commercial lines insurance

## **V. Web-Based Insurance Quoting**

- A. Brick and mortar carriers going direct online
- B. Web-only enterprises
  - 1. Comparison shopping sites
  - 2. Sites refer user to an agent to provide quote

## **VI. Web-Based Claims Reporting**

## **VII. Web-Based Marketing of Insurance**

- A. By carriers
- B. By agencies

## **VIII. Where Are We Heading with Web-Based Insurance?**

## **IX. Web Site Development for Insurance Agents**

- A. Examples of sites
- B. What makes a site good?

## **X. E-commerce in Construction**

- A. Bid management
- B. Procurement management
- C. Project management
- D. Buying and selling equipment and services

## **XI. Pros and Cons of Electronic Documentation**

- A. How it can help manage risk
- B. How it can potentially lead to greater liability

## **XII. Continuing Education**

# ***E-COMMERCE IN INSURANCE AND CONSTRUCTION***

***J. Kent Holland, Jr.  
Zurich Insurance***

## **I. Introduction to E-Commerce**

This paper and the workshop presentation provide examples of websites that are pushing the envelope of e-commerce for insurance and construction. This is by no means an exhaustive or comprehensive listing of organizations and websites that are involved in e-commerce. The totality of the website and their details are not as important as the global picture they present of change that is fast approaching—and possibly overtaking us. The websites that are highlighted serve as a starting point for a review and discussion concerning the future of e-commerce and how it will impact us.

The three principal areas discussed include use of the Web by insurance carriers, insurance agents and the A/E/C industry.

## **II. Web Site Information Tools (Including Risk Management) by:**

### **A. Insurance companies and brokers**

- DPIC risk management articles (DPIC.com)
- ECS Library (ecsclaims.com)
- Professional Practice Insurance Brokers risk management library (ppib.com)
- Ramco risk management library (Ramco-ins.com)
- Victor O. Schinner contract guide and articles (Schinnerer.com)
- Zurich Insurance A/E Briefings newsletter (ZurichUS.com)

### **B. Law firms and legal resources**

- Andersonkill.com (Anderson, Kill & Olick lawfirm newsletters on insurance litigation)
- ConstructionWebLinks.com
- Folklaw.com (law firm newsletter)
- Haese.com (law firm newsletter)
- VirtualChase.com — articles and resources
- ConstructionRisk.com for links
- IRMI.com for links
- TheLinReid.com – articles library

### **C. Trade associations**

- For listing of links to insurance-related professional, business organizations see IRMI at (irmi.com)
- Listing of links to insurance and A/E/C associations see (Construction-Risk.com).

### **D. Commercial enterprises**

- BuildingTeam.com
- Construction.com
- CommerceInc.com

- E. Schools, libraries and institutes
- CataLaw.com (catalog of catalogs)
  - Cornell (law.cornell.edu)
  - Emory Law School (law.emory.edu)
  - Indiana University School of Law (law.indiana.edu/law)
  - International Risk Management Institute (irmi.com)
  - Internet Legal Resource Guide (ilrg.com)
  - Law Library Resources Exchange (llrx.com)
  - Library of Congress (lcweb.loc.gov)

F. Safety & Health

- OSHLinks by Infoventures.com (summarizes current literature on occupational safety and health - subscription required)
- Riskmail.org (*RISKMail* is an online forum for people with professional and/or research interests in the field of risk management and insurance)
- SafetyOnline.com - by Vertical Net – SafetyOnLine.com (Articles, news and newsletters on site safety)
- Safetyinfo.com SafetyInfo.com (an internet safety library)
- OSHA.gov - Occupational Health & Safety Administration (OSHA.gov – Occupational Health & Safety)

G. Government Agencies

- Library of Congress “Explore the Web” (lcweb.loc.gov/global)
- FedWorld Information Network by Dept. of Commerce (fedworld.gov)
- U.S. Congress on the Web (thomas.loc.gov)
- Yahoo Law Directory and index (yahoo.com/government/law)

### III. Web-Based Tools for Insurance Agents

- A. Interface with carriers
- B. Interface with customers
- C. Applications, forms, and documents
- D. Examples:
1. IWIX.net
  2. BrokersPortal.com
  3. AlocalAgent.com
  4. AgencyWorks.com

### IV. What Will Commercial Lines Insurance on the Web Look Like?

- A. Review of Web sites venturing into commercial lines insurance
- ePolicy.com (professional liability insurance)
  - Monitor Liability Managers—lawyers professional and D&O insurance
  - Pivot.com
  - Truckersco-op.com
  - BuildPoint.com
  - TheInsuranceXchange.com

### V. Web-Based Insurance Quoting

- A. Brick and mortar carriers going direct online
1. Examples
    - Allstate.com
    - eWassau.com
    - AIGdirect.com
    - Progressive.com
    - Geico.com

2. How will direct quotes impact the comparison shopping sites?
  3. How will this impact sites that refer user to an agent to provide quote?
  4. What impact will this have on insurance agent's and broker's role?
- B. Web-only enterprises
1. Comparison shopping sites
  2. Sites refer user to an agent to provide quote
  3. Examples of personal lines insurance websites
    - InsWeb.com
    - Ebix.com
    - Esurance.com
    - InsureOne.com
    - Quotesmith.com
    - QuickenInsurance.com
    - Insurance.com
    - InsurePoint.com
    - InsureZone.com
    - Reliaquote.com
    - YouDecide.com
    - EconoQuote.com
    - 1stQuote.com
    - IQN.com
    - IQuote.com
    - Term-Life-Insurance-4U.com
    - Term Quest.com
    - ETerm.com
    - TermComparison.com

## VI. Web-Based Claims Reporting

- ClaimsOnLine.com

## VII. Web-Based Marketing of Insurance

- A. By carriers
- B. By agencies

## VIII. Where Are We Heading with Web-Based Insurance?

- A. The insurance superstore model
- B. Internet-only agents
- C. Can insurance companies move to direct sales on-line without disrupting existing sales agent channels?
- D. Gardner research group data states 72 percent of carriers will provide quotes over the web by end of year and 39 percent say they will be able to complete sales online.
- E. The broker's opportunity to expand and service business through the web
- F. Will the web level the playing field between large and small brokers?

## IX. Web Site Development for Insurance Agents

- A. Examples of sites
- B. What makes a site good?
- C. Vendors that offer to make websites

## X. E-commerce in Construction

- A. Bid management
- B. Procurement Management
- C. Project management

D. Buying and selling equipment and services

E. Example Web sites:

- [Constructware.com](http://Constructware.com) Constructware.com

An enterprise-wide project management solution designed for the Internet. It enables general contractors, architects and owners to manage all their projects throughout the entire life-cycle, from pre-bid to completion. Tracks RFI's, change orders, shop drawings, and electronic communications. It can be used for an individual project or it can track the details and documentation of every project being constructed by the subscriber. This is a powerful tool.

- Bamboo Solutions

Organizes, updates, disseminates and tracks mission-critical information. This system works with all types of facilities and is not specific to construction projects. It can be coupled with safety and environmental information, equipment documentation and construction project management.

- Bentley.com

Bentley's MicroStation/J increases enterprise productivity beyond traditional computer-aided design tools by providing a tighter integration with business information technology (IT) applications and discipline-specific engineering functionality.

- Bidcom.com

Assists in managing projects, information, and goals, and monitoring accountability. Buy and sell building materials online in real time. Search, filter, and select bids in a safe, secure environment. Estimate project costs and source new business leads, architects, products and manufacturers.

- [Blueprintonline.com](http://Blueprintonline.com)

Enables owner and architect to direct market to construction industry. Project information and addendums may be electronically distributed to all bidders. Detailed reporting on project activities. Permits potential bidders to view drawings and specifications to determine or evaluate whether or not to bid.

- [BuilderSupplyNet.com](http://BuilderSupplyNet.com)

Send out RFQs with specifications. Make builders aware of your latest capabilities or merchandising specials. Search local vendor catalogues for product and price information. This is a working, subscriber-based site that creates access to all of the participants in the industry. It facilitates the electronic exchange of information, streamlining commercial operations between buyers and sellers.

- [Buzzsaw.com](http://Buzzsaw.com)

Provides web-based Planning & Design tools. For manufacturers and suppliers, a marketplace offers a storefront open to buyers. Facilitates management of the bid process and assembly of team of subcontractors and suppliers. Provides online collaboration tools to manage the project documentation.

- [ConstructorHub.com](http://ConstructorHub.com)

Provides web-based documentation and project management.

- [Construction-Zone.com](http://Construction-Zone.com)

A product information resource for the construction industry. Enables construction professionals, from architects to contractors, to find what they need using a parametric search capability. Online training, offers more than 400 courses of web-based instruction to any site user. Has secured commitments for nearly 25,000 products from hundreds of manufacturers across all product lines.

- **e-Builder.com**  
Beginning with site selection and ending with facilities management, e-Builder facilitates the online transactions for the entire team.
- **OnCenter.com**  
Provides estimating software and take-off software for the construction industry. Quick Bid also has customized databases for almost every trade in the construction industry.
- **OneBuild.com**  
For construction materials procurement. Brings buyers and sellers together in a high-trust and secure environment. One-Build streamlines the procurement process, reducing lead times and costs. Finding materials, placing and reviewing bids, negotiating, issuing PO's, completing transactions, and more are performed online.
- **Primavera.com**  
Provides a family of project management software solutions and services for the A/E/C industry.
- **PrimeContract.com**  
Controls, audits and analyzes the procurement of services and materials needed by the AEC industry. Users can electronically share procurement and project information in a secure environment. Used to source materials, services, and equipment, share project plans, and then bid, procure, and purchase in an online marketplace in order to facilitate a faster, on-time project delivery and reduce project costs.
- **ProjectEdge.com**  
Information and documentation manager. Opening view on this site shows the open Action Items with any past due items emphasized at the top of the list. The responsible person and any copied parties are automatically informed of Action Item assignments and completions. Action Items include follow-up tasks from many sources including meetings, contract administration including change management, RFI's, submittals, correspondence, safety violations, overdue punchlist or warranty correction, and insurance expirations. The Action Item view also lists daily field reports and periodic project status reports.
- **ProjectGrid.com**  
A customizable project communications/management tool. Using a password to log on to the secure web-site allows team members to access and share pertinent information. Typical features include financial information & management, bid calendar, project schedule, work-in-progress, site visit reports, design drawings, change orders, contract invoices, file downloads, contact information, administrative functions, digital photo logs and more. ProjectGrid.com provides real-time communications to team members, displaying the latest validated project information to help reduce communication errors and save money and time.
- **ProjectMind.com**  
A web-based contract change management, project cost, and payment control solution. Used to manage changes to prime contracts and subcontracts, track costs (budgeted, committed, actual), exposures, and payments, and to monitor work performance.
- **PurchasePro.com**  
A tool to streamline the entire internal and external procurement cycle—from request, to order, to payment—for both the buyer and supplier. Companies realize reduction in processing costs,

achieve savings through better pricing, and curb decentralized spending.

- TheBlueBook.com

The Blue Book of Building and Construction is the Industry's leading source of regional, categorized construction information. The Blue Book features over 800,000 company listings with over 46,000 display ads and company profiles. BB-Bid is thebluebook.com's enhanced bidding and procurement system. It provides construction buyers and sellers with a two-way communication exchange for bid and project messaging over the Internet. BB-Bid does not charge transaction fees.

- Viecon.com (By Bentley)

Provides a real-time, interactive environment for comprehensive, project life cycle management of tasks and documents associated with a project. In use, you can create and manage projects with a comprehensive suite of scheduling, tracking, meeting, and calendar-based software. Meetings may be physical (in a single site), teleconference, or on-line, interactive, where the host's screen is visible to all participants. In addition, there are downloadable tools for viewing drawings, sending drawings over the web as emails, and a conversion tool for maintaining data for DGN, DWG, and DXF formats.

#### F. Pros and Cons of Electronic Project Management and Documentation.

1. How it can help to manage risk
  - a. Better communication;
  - b. Keeping track of e-mail;
  - c. Better accountability

2. How it can potentially lead to greater risk of liability.
  - a. Everything is in the open for all to see
  - b. Clearer accountability and responsibility

### XI. Pros and Cons of Electronic Documentation.

- A. How it can help manage risk
- B. How it can potentially lead to greater liability.

### XII. Continuing Education

- A. Courses available in the construction industry are many and are varied. A few examples include:
  - RedVector.com
  - NetGen.com
  - KeepSmart.com
  - Old Dominion University

### XIII. Conclusion

From a review of the various business models for insurance e-commerce—including stock prices and profits and losses of several of the highly advertised websites—it would appear that the industry is still in the learning curve, and that the old bricks and mortar way of making a profit will not be soon replaced with the mystical allure of the Web. Those who eventually prosper on the web will be the individuals and firms with solid backgrounds in insurance and construction, and who have a business plan calling for a profit during this life time instead of the next.