



Workshop A

WHAT CAN YOUR BROKER DO FOR YOU?

Panelists

William T. Kasper
Aon Risk Services,
Construction Services Group

Victoria Taylor
Area Vice President
Gallagher Construction Services

David G. Langton, CSE, CSHM
Risk Control Consultant
BB&T Insurance Services, Inc.

Troy Wagener
Senior Vice President
BancorpSouth/
Stewart Sneed Hewes

Moderator

Frank Keres
President
Construction Risk Associates, Inc.

Tuesday, November 9, 1:30–3:00 p.m. and 3:30–5:00 p.m.



You understand what it takes to build something that will last for years.

We understand what it takes to protect everything your business builds.

A leading choice among contractors, CNA has helped manage the unique risks of construction professionals for over 60 years. With industry knowledge and financial strength, we create flexible and comprehensive programs and coverages. Our partnerships with trade associations and construction experts ensure we stay abreast of industry trends to better meet your business needs.

For most sectors of the Commercial Construction industry, we offer standard business coverages including Property, Liability, Auto and Workers' Compensation, as well as specialized coverages for Limited Pollution Liability, Broadened Liability for Damage to "Your Product" and "Your Work," Contractor's Equipment, and more. We provide the right coverage options so construction professionals can concentrate on building a stronger business.

To discover the broad range of insurance products available from CNA, contact your independent agent or broker or visit www.cna.com



William T. Kasper
Senior Vice President, Southern Regional Director
National Director of Claims and Risk Control
Aon Risk Services—Construction Services Group

Mr. Kasper is one of the presenters for Workshop A, "What Can Your Broker Do for You?" on Tuesday. He has 30 years of professional multiline claims adjusting, consulting, and management experience. His career began with General Adjustment Bureau as a multiline adjuster, ultimately advancing to claims manager in Pittsburgh with operational responsibility for Western Pennsylvania.

In 1991 Mr. Kasper accepted the opportunity to join Frank B. Hall as claims manager and senior claim executive for the Pittsburgh office where he oversaw all claim activities and was dedicated to several major accounts within the branch. In 1995 he was promoted to the position of director of claims for the Major Construction Accounts Group of the Construction Services Division in Charlotte, North Carolina. In November 2001 he was named Southern regional director for the CSG and is responsible for overall profitable operation of the practice group for the region and in addition has subsequently been named the CSG national director for claims and risk control.

In addition to his expertise in construction-related property and casualty claims, Mr. Kasper's credentials include extensive experience in marine and inland marine claims including Jones Act, USL&HW, Protection and Indemnity, Hull & Collision Liability, Sue & Labor, General Average and Salvage as well as Domestic & International Cargo. He is a recognized claims industry expert in the areas of builders risk, property and liability coverages, heavy equipment losses, risk transfer, and contractual indemnity issues.

He holds a bachelor of science degree in criminal justice from Mansfield University, and he is a qualified CEC instructor in the states of Washington and California.

David G. Langton
Risk Control Consultant
BB&T Insurance Services, Inc.

Mr. Langton is one of the presenters for Workshop A, "What Can Your Broker Do for You?" on Tuesday. He is a risk control consultant with BB&T Insurance Services, Inc., and formerly was vice president, corporate director of environment, health & safety, for North and Latin America, Bovis Lend Lease Holdings, Inc. He has more than 25 years of experience with Fortune 500 and ENR Top 400 companies. His responsibilities include coordination of risk control services for BB&T Insurance Services, Inc., clients working from the Charlotte, North Carolina, office.

His initial undergraduate studies were in England at Riversdale Polytechnic and Liverpool College of Technology, and he is a licensed Marine Engineer Officer. He has a master's degree in safety engineering and is a graduate of the Executive Program for Advanced Management, University of North Carolina, Chapel Hill. He is a member of the American Society of Safety Engineers (past president Tarheel Chapter); Veterans of Safety International (past president); The World Safety Organization (past president Carolinas Chapter); and The Institute for Safety and Health Management.

He has National, North Carolina, New York, and Ohio Board of Commissions for Boilers and Pressure Vessels and has extensive experience in engineering and pressure vessel design. He was inducted into the Inaugural Edition of "Who's Who in the Safety Profession."

He is also a Certified Safety and Health Manager; a Certified Safety Executive; a Certified Safety and Health Professional in the State of Hawaii; an Approved Safety Source in the State of Texas; and has been appointed to the Board of the Safety and Health Hall of Fame International.

Victoria Taylor
Area Vice President
Gallagher Construction Services

Ms. Taylor is one of the presenters for Workshop A, "What Can Your Broker Do for You?" on Tuesday afternoon. She began her insurance career within the insurance carrier industry in underwriting and finance. In 1986, Ms. Taylor became the marketing manager at Alexander & Alexander, focusing on medium-to-large-sized manufacturers. She later became a property and casualty producer and was noted for her ability and expertise in working with complex and hard-to-place business. She joined Aon Corporation in 1988 and acquired and managed difficult construction and manufacturing risks. In 2002 after being the sales manager for the largest independent broker in Wisconsin, Ms. Taylor accepted a position as an area vice president with Gallagher Construction Services.

Ms. Taylor has worked with contractors of all sizes and operations. She has developed risk programs for large national contractors with national and international operations. She also has given the same dedication to regional and local contractors.

Whether visiting job sites, erecting scaffold, or inspecting an industrial boiler, she has focused on learning her clients' operations from the ground up. This allows her to understand her clients' business and how to bring the right resources and programs to her clients to effectively and economically manage risks. Her abilities have allowed her to become an integral part of her clients' management and operational teams. This understanding of her client complements her strong carrier relationships and bolsters the carriers' respect of her input and knowledge. Ms. Taylor believes in and practices bringing out the best from her clients and in bringing the best to her clients.

In addition to her vast frontline experience, Ms. Taylor has completed and continues to take various CPCU, ARM, ALCM, and OSHA courses. She completed the Insurance Executive Program at the John A. Walker College of Business of Appalachian State University.

Troy Wagener
Senior Vice President
Bancorp South/Stewart Sneed Hewes

Mr. Wagener is one of the presenters for Workshop A, "What Can Your Broker Do for You?" on Tuesday afternoon. As senior vice president, BancorpSouth/Stewart Sneed Hewes in Biloxi, Mississippi, his work specializes in heavy commercial, industrial construction surety bonding and insurance primarily in Mississippi, Louisiana, and Alabama. His construction clientele ranges from small, family-owned-and-operated to large, publicly held conglomerates. His responsibility includes surety bond program management and placement along with placement of all casualty lines such as workers compensation, general liability, commercial auto liability, umbrella, etc.

Mr. Wagener's previous speaking engagements include local and national AGC conferences as well as the Corps of Engineers cost estimating and safety divisions on contractors bonding and insurance topics.

He holds a B.S. degree in business and petroleum land management from Louisiana State University. He serves as vice chairman of the AGC National Surety Committee and Surety Industry Advisory Council. He is a 10-year member of the National AGC Risk Management Committee. In addition to his AGC of America membership, Mr. Wagener also belongs to Associated Builders and Contractors, Mississippi Road Builders Association, National Association of Surety Bond Producers, and the Council of Insurance Agents and Brokers.

Frank Keres
President
Construction Risk Associates, Inc.

Mr. Keres is one of the presenters for Workshop A, "What Can Your Broker Do for You?" on Tuesday. He is principal of Construction Risk Associates, Inc., working with contractors and brokers, insurers, and owners who deal with contractors. Before forming Construction Risk Associates, Mr. Keres was risk manager for Safeway Services, one of the nation's largest subcontractors with more than 70 locations. Mr. Keres had also worked within Aon Risk Service's Construction Group, working with contractors on developing risk programs and with owners of larger construction projects. He was one of the earliest construction risk managers when he worked for James McHugh Construction Co. in Chicago.

Mr. Keres believes in the full integration of insurance, claims management, loss control, and operations to have a comprehensive and productive risk management program. He utilizes his legal training and background, a thorough knowledge of coverage, and his safety experiences to provide a unique focus to risk management. Mr. Keres is well recognized as a leader in the area of construction risk. Among the groups to whom he has made presentations are the National Safety Council, International Conference on Construction Safety and Health, National Inland Marine Underwriter's, Construction Safety Conference.

Mr. Keres holds a B.A. from the University of Notre Dame and a J.D. from John Marshall Law School.

Notes

This file is set up for duplexed printing. Therefore, there are pages that are intentionally left blank. If you print this file, we suggest that you set your printer to duplex.

WHAT CAN YOUR BROKER DO FOR YOU?

***Panel moderated by Frank Keres,
Construction Risk Associates, Inc.***

This Panel discussion will begin with each Panel member giving a brief overview of what their particular function is as part of the Broker team.

Then, each Panel member will describe how they inter-react with the other members of the Panel. When does the Producer/Account Service call in the Loss Control or Claims? How does Claims utilize Loss Control?

Then the Panel will be asked specific questions. For example:

1. What do you normally see in the Client/Broker Relationship?
2. How do you introduce expanding the role of the Broker?
3. What if your client does not want your services? How do you explain the value or importance of this service?
4. What if your client really does not understand what you can do for them? For example, your contact is with the Company CFO. How do you "get to" that person?
5. Obviously, how do you cost or charge for being of real service?
6. Each please explain your role during and after an "occurrence."
7. Producer: How do you utilize Loss Control and Claims in the renewal/acquisition process?
8. Claims: What specific requests would you have of a Contractor so that it could utilize you more effectively?
9. Loss Control: What specific requests would you have of a Contractor so they could utilize you more effectively?
10. Claims and Loss Control: Give 3 actions that you believe each Contractor should do and what you can help them with.
11. Producer: What value do you receive from Loss Control and Claims as a Resource?
12. What if your Client knows more than you do on a particular subject?

WHAT CAN YOUR BROKER DO FOR YOU?

Introduction and Overview

- Panel Members
- Use of “Handouts”:
As this is a Panel, we want the Panel Members to discuss freely and not be constrained by what is in the printed materials. The Handout is for reference and for use. It will highlight some of the key points as the Panel presents and have some supplemental items for later use.

We will NOT discuss:

- How to Select your Broker.
- Hopefully, after this Panel, you will know what to ask for, what to expect.
- Panel is how to work with YOUR Broker NOT how to pick a Broker.

“Forget Lunch”

- We are not here to criticize but to discuss specific actions that the Broker AND its Contractor Client might consider to better effectuate the “Working Relationship.”
- The Contractor/Broker Relationship must go beyond “price shopping” and going to lunch.
- This Panel will discuss some of their Working Concepts that allow the Contractor to get the MOST from its Business Partner: the Broker.

Why the Broker and not the Carrier?

- The Carrier has EXCELLENT resources on Claims and Loss Control. Yet, these resources might be spread thin.
- The Broker has direct accountability to YOU.
- In this day of SIR/Deductible, the Broker will have more concern for YOUR money.
- Broker is more accessible.
- Broker does provide extra set of eyes and can WORK with Carrier Resources.
- YET, evaluate Carrier Resources and make a decision on if, how and when to utilize.

Establishing the Relationship

- Understanding the Contractor
 - No assumptions by Contractor or Broker based on past relationships.
 - Broker and Contractor should openly share and communicate.
 - Contractor should freely communicate, not hold back, delineate its “Wants and Needs.”

Account Leader for Broker

- Review office and field operations. Field operations with Loss Control.
- Review all prior claims, with Claims.
- Meet with Key Personnel: not just the Buyer or the Management. Reviews of operations and claims should give Broker insight into who they should talk with.
- A “Ground Up” Approach.

Account Leader for Broker

- Personally introduce the “Team” to the Contractor (including those on Broker and Contractor who should know each other. For example: Loss Control with Safety Director, etc. (Flow charts are worthless as a realistic who-does-what-to-whom but are great phone directories.)
- Do a Want/Need type of analysis.
- Establish the day-to-day details: Certificates of Insurance, claims reporting, etc., early and WITH the Contractor.
- Set up with Contractor a Service Summary and Schedule, for all activities.

Account Leader Specifics

- Economics: explain Cost/Benefit on EVERYTHING.
- Policy Reviews: with the Client, what is covered and what is not.
- Maintain communication: visit with Client often.
- Continually learn about changes in Risk Industry and how they might affect Contractor, AND discuss with Contractor.

Account Leader Specifics

- Regular internal meeting with your staff and Resources, BUT FOLLOW UP with Contractor.
- Know the Claims, BUT trust your Claims Resource.
- Know Safety, BUT trust your Safety Resource.
- Maintain constant communications with Carrier.
- Have regular meetings with Contractor and Carrier.
- Keep Client informed of Carrier Communications with you or a Resource.

Contractor Should Use Broker's Account Leader

- Schedule regular working meetings, not just "go to lunch" meetings.
- Have meetings NOT just with Account Leader but with others from Broker Resources (suggestion: at one meeting have Claims, the next Loss Control, etc.).
- Have your own Personnel relate to you how the Broker is working with them.
- Keep your Broker informed of Business: new approaches, new markets, etc.
- Keep your Broker informed of Details: from new equipment you are buying to each job you are bidding to personnel changes, etc.

Broker's Claim Resource

- Understand THAT Contractor's operations, business, personnel.
- Thoroughly review prior Claims of that Contractor (and similar Contractors).
- Work with Loss Control on causations, strengths, and weaknesses.
- Work with Contractor's Claims person on what is done and what should be done.
- Leave your ego at the door.

Broker's Claims Resource

- Meet with Client regularly.
- Use real language, not "legalese."
- Get online with Carrier for that Contractor.
- Work with Client on Defense Counsel who have experience in Construction/Coverage specific to Construction. "Get the right fit."
- With Contractor, develop for that Contractor a Claims System FOR THE CONTRACTOR to implement.

Specifics on Claims

- Crisis Action Plan: with Contractor and Loss Control.
- Accident Investigation: Establish what, when, where, etc., to investigate. Work with Loss Control.
- Review with Client and Account Leader how Carrier/TPA is handling specific claims or claims in general.
- Prepare Claims Instructions for Carrier/TPA.
- Work with Contractor on establishing internal reserves, not just what Carrier/TPA suggests.
- EMRs: Get OCIP losses, review NCCI calculations AND project future EMR to allow Carrier to plan/bid.

Contractor's Utilization of Claims

- Relate everything. Do not hide problems. It will come out in litigation. Let the Claims Resource be proactive, not reactive.
- Decide how much work YOU want to do on claims, and DO IT.
- Review the online system of the Carrier with Claims Resource.
- ASK Questions, on specific claims and in general.
- Supply Claims resource documentation on every claim.
- Establish Reporting (and what not to Report).
- Strategize with Claims Resource on individual claims.
- Have Claims Resource and Loss Control give you trends.
- TRUST the Claims Resource and do not play "clubhouse lawyer."
- Have Operations people meet with Claims Resource so they can learn and understand how your Operations are creating and affecting claims.

Broker's Loss Control Resource

- Be knowledgeable of Contractor, Construction.
- Understand that OSHA is a minimum and educate Contractor on this.
- Know and understand the Carrier's Safety Personnel and establish Guidelines with Carrier.
- Review Contractor's Safety Manual and assist in refinement.
- Review field operations, not as "Hector the Inspector" but to learn and understand Contractor.
- Meet with Contractor's Safety Personnel.
- Avoid Checklists.

Broker's Loss Control Specifics

- A totality, not single out a "bad" thing you see.
- Use IS systems to see where the Contractor is paying and where he is headed (with Claims Resource).
- Develop relationship with Field Personnel.
- Crisis Management Plan (with Claims Resource).
- Develop Training for THAT Contractor, not "canned modules."
- Zero Accident as reality.
- Fall Prevention/Protection.
- Safety Sampling.
- Is it working? Safety as more than a written program.
- Meet with Contractor's field personnel, safety director and management regularly.
- Share what you see with Contractor—both good and bad.

Contractor's Use of Loss Control Resource

- Do not make him a "tattletale" on what the field is doing. This is not his role, causes field to not communicate, etc.
- Do not want just a Hector the Inspector.
- Safety problems can relate back to Management, so ask what YOU can do better and do not be afraid of the answers.
- Visit job sites WITH him. It gives you a better understanding and it is good for both of you.
- Do not make OSHA compliance the goal, it is part of the goal. Most claims do NOT involve OSHA violations.
- Get the Safety Resource (and Claims Resource) involved early in major losses.
- Talk with Loss Control Resource about any plans or changes in operations.
- Have Loss Control assist you on what he would anticipate on projects you are bidding.
- Let Loss Control Resource be proactive WITH you, otherwise there is no Loss Control (and you will be working too much with Claims).

Common "Impediments" by Broker

- "Do All, End All": The Broker wants to do EVERYTHING, both as a "sales and service" point of view and as a revenue item. Brokers have to KNOW what they can or cannot do. YOU or your ORGANIZATION might not be able to do it all.
- Image: many times the Producer/Account Leader wants to be the "only one" in front of the client.
- Some Brokers let anyone write a Contractor. Construction is too unique and specific for this.
- Do not be afraid to tell a Contractor "no."
- Forget Lunch.

Common “Impediments” by Contractor

- “Let the Broker do it”: This is a hear-no-evil, etc., approach. YOU have to learn and be involved.
- Many Contractors let one or two people deal with the Broker (and Carrier). The Contractor should let those involved with operations and field have input and say, also. They are where the “rubber meets the road.”
- Communicate regularly and fully with all the Broker’s personnel working on your account.
- Do not be afraid to have the Broker say “no.”
- BUT do not be afraid to ask.
- The Broker can and should do more than “get a policy.”
- If you are solely guided by Cost, bear the consequences.
- Evaluate your Broker regularly, internally and by external resources.
- Forget Lunch.

Notes

This file is set up for duplexed printing. Therefore, there are pages that are intentionally left blank. If you print this file, we suggest that you set your printer to duplex.

EXAMPLES, SAMPLES, AND SPECIFICS

WANT/NEED

You can do this two ways. Write the box on a board and have your Broker give you All the things the Broker says they can do. Put them in the appropriate box. It will give You and the Broker a basis for a game plan. The other way is to have the broker write what it can do down and you fill in the box separately.

(This is also a good way to compare Brokers)

	WANT	DON'T WANT
<i>NEED</i>		
<i>DON'T NEED</i>		

PROJECT SPECIFIC POLICIES: Builder's Risk and RR Protective

Contractors very rarely understand how these two important BID items are underwritten. Thus, the Contractor should ask the Broker to explain this to the Contractor, including the "head" estimator for the Contractor.

Builder's Risk: There are many cost items that will not be incurred if there should be a total loss of the structure. For example: Grading, utility hook up and fees, possibly permits, possibly bonding, landscape, paving, etc, etc.

The Contractor should detail these for its Broker. The Broker then can relate this information to the underwriter. For example, the Contractor is bidding on a \$40 Million office complex. Assume the "non-re-incurred" items amount to \$3 Million. The Broker can then relate to the carrier that although he needs a

\$40 Million policy, the actual exposure is \$37 Million. This should result in a lower Builder's Risk rate and possibly giving the Contractor the low bid.

RR Protective: This is usually for a specific railroad on or adjacent to a worksite. Basic underwriting is for work within 50 feet of the line. Typically, the Broker just asks for the project price or if he does ask for work within 50 feet, the Contractor does not know why and usually gives a higher figure. The Contractor should spend the time to determine this.

The timing on these policies is important. The Broker should understand that the Contractor usually does not know his price until the day before the bid. The Broker then should get everything ready with its carriers so that they can supply the information close to the bid. The Contractor should understand this: that the Broker wants to get the best price for him. Therefore the Contractor should work with the Broker on these items and not want the quotes early in the bid process, just to get them out of the way.

SAFETY SURVEY:

The following Safety Survey is an example but the Broker and Contractor should send a Survey to its employees. If a large Contractor then it can be sent to its Superintendents, Foremen, and long term employees. This Survey is accompanied by a memo that states it is not going to the "main office" but it will be sent to the Broker, who will assemble the answers. These employees really do know a lot and they will answer freely as there is no fear of recrimination nor of being considered "soft." It is a great tool for both the Contractor and Broker. After the data is assembled, both the Contractor and Broker should have a better understanding of the Contractor's Safety operations.

SURVEY

1. What are your five biggest concerns as to employee safety?
2. What are your five biggest concerns for the safety of others, such as Subcontractor employees, the public, etc.?
3. What are your five biggest concerns for safety of third parties?

1. How do you think we can improve as a company in the area of safety?
 - field operations
 - office operations
 - materials
 - work habits
 - safety personnel
 - management
2. What types of support would you like to have, or have available, in the area of safety?
3. What would be your opinion if the Company started a Safety Committee?
4. If there were such a Committee what suggestions would you have?

1. What would your opinion be if the Company were to start a program of evaluating Projects on Work Comp, Liability and Auto claims and claims payments? Evaluation would be based on dollar volume and hour volume.
2. What would your opinion be if this evaluation had financial ramifications?
3. What information about the Company's insurance program would you like to know?

1. What can Risk Management do to improve its service to you?
2. What do you believe the functions are of Risk Management?
3. What information would you like to know about the Risk Management function?

PROCEDURES

Please indicate your opinion of the following procedures. Do they meet the purpose and are they workable?

- Accident Reporting Procedures
- Certificate of Insurance

What type of education/training would you personally like to have?

- Contracts
- Insurance
- Safety
- Other _____

SPECIFIC AREAS:

1. How do you realistically implement fall protection and what is your opinion of tie off?
2. What can we all do to improve auto safety? What amount of deductible that the employee would have to pay would you advise?
3. In as much detail as you care to provide, relate your comments, suggestions and observations as to how the Company presently handles and can improve in the areas of Risk and Safety.

Prepared by:
Construction Risk Associates, Inc.
250 N. Sunny Slope-Suite 300
Brookfield, Wisconsin 53005
262-780-4951
Frank.Keres@constructionriskassociates.com

Materials / Products Only Purchases:

Many Contractors buy from vendors just materials. For example, in a build out, the Contractor may be buying the furniture and placing it with its own crews. Typically, the Contractor issues a PO which either has no insurance requirements or mimics the "subcontract." This is not necessarily good.

The Broker should prepare insurance specifications for the Contractor for purchase of materials.

Below is a sample:

Manufacturer/Supplier insurance requirements

Commercial General Liability

- *\$5 Million dollars Combined Single Limit for Bodily Injury and Property Damage and in the Aggregate; which can be combined through combination of primary and excess layers.*
- *Coverage on Standard ISO forms or equivalent.*
- *Premises-Operations Liability*
- *Completed Operations and Products Liability maintained for at least three years beyond the term of any applicable Purchase Order/Agreement. If there is no written agreement, then 3 years from the date of delivery.*
- *Blanket Broad Form Contractual Liability.*
- *Product Recall Coverage*

Carriers shall be authorized to do business in and provide insurance coverage in the United States. Carriers shall have a Best's Rating of at least "A-"

If Manufacturer/Supplier shall provide warehousing, storage or has other possession of the materials subject to this Agreement after title thereto has passed, Purchaser has paid for said materials or has any rights therein, Manufacturer/Supplier shall insure said materials at their full replacement cost and have Purchaser named as loss payee.

Manufacturer/Supplier shall supply Purchaser a Certificate of Insurance meeting the requirements herein and stating that Purchaser, its owners, agents, and employees are Additional Insureds and, when applicable, Loss Payee.

CUSTOMIZATION OF LOSS RUNS:

The Broker and Contractor can sit down and discuss what particular information the Contractor, including the Contractor's Safety Personnel, would like to see. Many Carriers/TPAs can provide specific information. The Broker should then require the Carrier/TPA in its Claims Guidelines to have this information on line and in the reports that can be printed. For example: by site, by Contractor's Superintendent, by type of work (for example: if Contractor performs concrete work then by forming, placing, finishing), etc. These can be very informative to both the Broker and the Contractor.

DEFENSE COUNSEL

The Broker should arrange for Defense Counsel to come to the Contractor to meet with the key people, including Safety and key Superintendents. Also, a field visit. This will greatly add to the understanding of both the Contractor and its people and, more importantly, the attorney as he defends the Contractor. (They should do this for free, tell them it's the equivalent of a lunch.)

ATTORNEY CLIENT PRIVILEGE

Work with an attorney and your Claims Resource to establish criteria for keeping an attorney client privilege on claims. One very common mistake is that Contractors use Accident Report Forms that ask for "what did we do wrong." DON'T DO THAT. Establish reporting procedures with an attorney and the Claims Resource.

CERTIFICATES OF INSURANCE

Have your Broker fully explain what Certificates are and are NOT. Many Contractors think that a Certificate is "all they need." The Broker and the Contractor should work on a Certificate Program, including review and follow up if there are questions. In this day of changing Addl. Insured Endorsements, this is a completely separate area of importance and should be well discussed between Broker and Client.

BROKER SEMINAR

A proven valuable seminar for the Broker to give is a seminar to Estimators, Project Managers and Superintendents on Insurance, Claims, etc. Basically a seminar on Risk Management. This provides an understanding of a critical element of construction. These people then get the reasons for all the rules and procedures and Safety Requirements of the Contractor. It gives them the reasons not just the rules.

DESIGN AND "PERFORMANCE SPECS"

More and more, Specs and now Drawings, are including design or more commonly "performance specs." A performance spec is where the actual materials or type of construction is detailed. For example, an HVAC section states "Provide a system that gives xxx BTU's with air flow of xxxx...."

Basically, this is asking you, which if you are a GC, you pass on to the Subcontractor. Basically, this is asking for design. Does your Subcontractor have Design Coverage? Do you?

Note that if you are a GC, your coverage that covers the acts of Subcontractors does NOT cover if they "design." A relatively recent case from Wisconsin, which has gotten some national attention, is the *American Girl* case. The GC hired a soils testing firm to determine the type of compaction, excavation etc. The soils testing firm made a mistake and the building sunk at one corner. The building had to be replaced. The soils testing firm did not have "professional coverage" and the GC's Liability Policy did not cover for the "professional" acts of its Subcontractor.

Many Contractors just assume this is part of their business and is covered. That performance specs are not really "design." Therefore, have your Broker go over with your Personnel, what is covered and what is not. Have your Broker go over some of the actual specs to see if "design" is involved. The Broker can seek coverage for you, or make sure that the Subcontractor has the necessary coverage.

PROPERTY COVERAGE

Go over the Property Coverage with your Broker. Have the Broker explain what items of equipment are covered and what are not. For example, your Superintendent rents a forklift or loader for a week. Who provides coverage?

Also, if you do have coverage, then you can tell the Superintendent to not pay for the "insurance" provided by the lessor, because usually that covers nothing.

SAFETY TIME STUDY

Ask the Broker's Safety Resource to do a time study of your Safety Staff.

The Resource will most likely tell you that your Safety Staff are spending too much time on paperwork and meetings and not enough time on the site.

The Safety Resource can give realistic suggestions to get more "bang for your buck."

AUDITS

Work with your Broker at the beginning of the policy year to prepare for an audit. Have your Broker and your Payroll person set the necessary recording and systems now, not later.

Also, Work with your Broker on what fiscal/documentary information will be required to EXCLUDE Wrap-ups from payroll AND from Revenue audits.

It will save time. Also, your Broker can get the Carrier agreement on what information is necessary at the beginning, which is much better than having that Auditor decide after the policy expires.

RENEWAL FEE???

If your Broker is on a Fee, then have it delineated if the Fee includes their work on the next renewal or not. It saves discomfort. A good suggestion is to have the Fee include with renewal activities and without. You just might change Brokers next year.

YOU CAN ONLY ASK SO MUCH.

You are a Contractor. You know that sometimes the Work requires some additional items or labor. You request a Change Order. Sometimes it can happen that there is something "extra" you need in your Risk Management program. For example, an accident occurs 500 miles away from your office. It's a big claim and you really like your Claims AND Safety Resource and want them to go there for a few days. This "cost" just might not have been anticipated by the Broker; maybe this is the first job you did that far away. Thus, maybe the Broker is entitled to a "change order"?

SO YOU HAVE A RISK MANAGER (FOR THE BROKER)

Work with your Contractor's Risk Manager. Also, remember he/she really does know what they are doing. It is not a contest to impress. Listen and learn.

YOU REALLY LIKE THE INDIVIDUAL ACCOUNT LEADER

The world of Broker's is constantly changing. Some Individuals may go to another Broker. THEN, you find out that the person you have relied on for so many years can not talk to you because he/she had a Non-Compete with their former employer. That Individual will probably NOT be telling you about that Agreement. Thus, YOU should ask and possibly put into your Agreement with the Broker that if that specific individual leaves, you can terminate your agreement with the Broker AND that any non-compete agreement shall not be binding on you and that you can deal with that Individual at their new employer.

LITTLE THINGS

- Remember that your Broker has (hopefully) other Clients besides you. Give the Broker enough lead time on individual items and "projects" so that they can do a good job, not a quick job.
- Put the Broker Service Leader on the Contractor's "company e-mail." This allows the Broker to know what is going on.
- Have the Broker give you the Broker's personnel staff's vacation days, in advance.