



**Duration of the program: Forty-eight (48) hours over twelve (12) weeks period,  
September 14 - December 14, 2019**

**WEEK 9: Saturday: November 9, 2019, 9:00 AM to 1:20 PM**

### **Course 9: Estimating: Xactimate Training**

#### **Presenters:**

09:00	Welcome	Taylor Smith, Project Coordinator, Monroe Neighborhood Revitalization Program
09:05	Intro. to Speaker	Eric Porter, Program Founder, ComNet, LLC Southern University and A&M College, Baton Rouge, LA
09:20	Principles of Insurance	Agnes S. Andrews, Allstate Insurance, Baton Rouge, LA
10:00	Coffee Break/Stretch	
10:10	Xactimate Awareness	Eric Porter, ComNet, LLC Earl Davis
12:40 pm	Closing Remarks	Ellen Hill, Head, Planning & Urban Development, City of Monroe, LA
12: 50 pm	Exam Review	Sung No, W. E. Tucker Endowed Professor, SU EDA University Center
1:20 pm	Class Ending	

# Insurance Presentation

## Creating Neighborhood Developers

### Monroe, Louisiana

Agnes S. Andrews  
Allstate Insurance  
214 South Acadian Thruway  
Baton Rouge, Louisiana  
225.383.0877  
[agnesandrews@allstate.com](mailto:agnesandrews@allstate.com)

# History of Insurance



# History of Insurance

Long before the carpool or drive-in, the main principle of insurance — trading the burden of risk for money — was slowly developing into a global phenomenon.

Security in numbers: 3000 BC

China, 3000 BC: that's the date on insurance's birth certificate. The proud parents were Chinese merchants who, tired of losing valuable goods in shipwrecks, proposed what is now recognized as the oldest predecessor to modern insurance. Merchants divided their goods evenly among the ships, meaning that each boat carried a mix of cargo, not just one merchant's.

Thus, a shipwreck meant a slight loss for all instead of a crippling loss for one — safety in numbers, a time-tested principle that your insurer practices to this day.

Source: esurance History of Insurance

# Reasons for Insurance

Why is it important to have insurance?

- Legal and regulatory requirements
- Property
- Liability Exposure
- Business continuity – recovery from disasters, systems continuations, maintains cash flow
- Protection from errors



# Assuming Risk is Part of Doing Business

Going outside is a risk, but so is staying in.

Going out may require boots, coat, or an umbrella for protection, but staying in can result in missed opportunities.

Business insurance eases the burden of risks, so owners can “go out” to...



focus on business  
development and growth.

INSURANCE





# Insurance for a Small Business

Review examples of work-specific insurance which are required by certain licenses.

1. Here are a few to begin:
  - **Construction company – general contractor's liability**
  - Auto repair shop – business general liability
  - Restaurant – foodbusiness insurance



# Insurance Your Business May Require

## State and Local Requirements

- Always check with federal, state, county and local governments
- Workers Compensation with specific coverage may be required for employees
- Automotive insurance coverage for vehicles used in connection with the business





# Worker's Compensation Insurance

Protects against illnesses, injuries at work.

- Pays for rehabilitation, retraining
- Addresses payments to beneficiaries and medical payout limits
- Required by most states, check state laws
- Private or state administered



# Unemployment Insurance

Benefits those who are unemployed through no fault of their own.

- Willing and able to work and actively searching work
- Federally regulated, state administered
- Check with state and Federal Dept. of Labor
- Always make payments, avoid penalties and actions (lien, misdemeanor, felony)

A piece of light brown cardboard with the words "Hire me!" written in black marker. The cardboard is tilted slightly to the right and has a rough, torn edge on the left side.

Hire me!

# General Liability Insurance

- ▶ General liability covers common risks
- ▶ From carpenters to general contractors, construction and contracting professionals face high risks. General liability insurance helps pay expenses related to **third-party injuries and property damage**.
- ▶ Example If a visitor is injured at your jobsite or property damage occurs during a renovation, for instance, general liability insurance can cover medical bills or the cost of repairs.
- ▶ This policy provides liability coverage related to:
  - ▶ Customer injury
  - ▶ Customer property damage
  - ▶ Libel and slander
- ▶ Source: <https://www.insureon.com/construction-contracting-business-insurance/general-liability>

# General Liability Insurance

- ▶ If you run a small construction or contracting business, you may be able to bundle general liability insurance with commercial property insurance in a [business owner's policy \(BOP\)](#).
- ▶ A **BOP** offers more complete coverage at a lower cost than purchasing each policy separately. Businesses that are eligible for a **BOP** typically:
  - ▶ Have fewer than 100 employees
  - ▶ Have a small office or workplace
  - ▶ Make less than \$1 million in annual revenue
  - ▶ Operate in a low-risk industry
- ▶ Need less than 12 months of [business interruption insurance](#)
- ▶ [Talk to a licensed Insureon agent](#) to find out if your construction business is eligible.
- ▶

# General Liability Insurance

- ▶ What coverage can general liability provide for construction companies?
- ▶ **Customer injury**
- ▶ If a customer trips over a tool box or a ladder while you're doing electrical or carpentry work, you could be blamed for the injury. If the person sues, you could end up paying for medical and legal expenses. General liability insurance covers:
  - ▶ Attorney fees
  - ▶ Court-ordered judgments
  - ▶ Settlements
  - ▶ Medical bills
  - ▶ Funeral expenses in fatal incidents
- ▶ **This policy does not cover employee injuries.** For that, you'll need to purchase workers' compensation insurance.
- ▶



# General Liability Insurance

- ▶ **Customer property damage**

- ▶ Accidents can be costly for construction professionals and contractors. General liability insurance safeguards small businesses when client property is damaged. For example, if a client's furniture is damaged during remodeling, your general liability policy could help pay for the cost of repair or replacement. This policy can also cover the cost of a lawsuit if a client decides to take you to court over damaged property.

- ▶ **Libel and slander**

- ▶ While advertising your company and its construction services, it's possible to inadvertently copy a competitor's slogan or mimic another advertising campaign. Accidental advertising injuries are covered by general liability insurance, including:
  - ▶ Copyright infringement
  - ▶ Defamation, both libel (written) and slander (spoken)
  - ▶ Other policies for construction and contracting businesses to consider



# General Liability Insurance

Covers basic construction and contracting risks, it does not offer absolute protection. Other policies to consider include:

- ▶ Workers' compensation insurance: Required in almost every state for construction businesses with employees, workers' comp can cover medical fees for work-related injuries.
- ▶ Commercial auto insurance: This policy covers vehicles owned by your construction or contracting business. It typically pays for accidents and damages related to theft, weather, and vandalism.
- ▶ Contractor's tools and equipment insurance: This policy helps pay for repair or replacement of a contractor's tools and equipment if they are lost, stolen, or damaged.
- ▶ Builder's risk insurance: Builder's risk insurance can pay for damage done to a structure still under construction, such as fire or vandalism at a construction site.
- ▶ Professional liability insurance: This policy covers professional mistakes and oversights, such as a contractor missing a deadline for a project.

# Other Liability Insurance

- Professional Liability Insurance
  - May be required for
    - Certain professional licenses
    - Certificates of business or professional business registrations
- General Liability Insurance
- Directors & officers

Liability laws change—

## Stay Informed



# Other Types of Insurance to Consider

- Loss of income
- Life
- Disability
- Medical



# Lender or Investor-Required Insurance

When financing, a lender or investor may require you show insurance protecting:

- ← Business assets (building, property)
- ← Cash flow – provision for interruption of business (e.g., reconstruction, repairs)
- ← In the event of owner's disability or death



# “Key Person” Policy

Think about and respond to these discussion points.



1. Do you have a list the names who could run your business or that you would trust to do so, if you were ill for an extended period of time?
2. List who would take over your business in the event of your death.
3. Do you have a plan for your business in the event of your death?
4. Is there a family member or trustee named to liquidate the assets?



# Surety Bonds

A surety bond is issued by a third party, known as a surety, as a guarantee the second party will fulfill its obligations or meet certain laws. If the second party fails to do this, the bond covers the damages.

- Required for some licenses or permits (e.g., car dealer, construction contractor)
- Protection for consumers and for government
- “Bid bond” may be required to submit a bid to the government





# Location-Related Considerations

Business location affects type of policy

- Home-based – Add-on to homeowner's or separate

**Warning: Your traditional homeowner's insurance may NOT cover damage caused by your home-based small business!**

- Retail – one or more locations, inventory theft, credit card theft, personal vehicle for deliveries

# What Is Title Insurance?

## Do I Have to Buy It? Do I Want to Buy It?

- ▶ When you buy property (land or land with a building such as a home), the seller transfers the title to the property to you.
- ▶ Title to property means legal ownership of the property. Some problems with the title could prevent the seller from transferring the property title to a buyer or prevent a lender from issuing a mortgage loan.
- ▶ Title insurance helps to make sure the seller can transfer the title to you. It also may help protect you if a problem with the title comes up after you buy or refinance property.
- ▶ Source: Google Search [https://www.naic.org/documents/committees\\_c\\_cst\\_wg\\_related\\_la\\_spec...](https://www.naic.org/documents/committees_c_cst_wg_related_la_spec...)

# What Is Title Insurance?

- ▶ Title insurance doesn't guarantee there are no problems with a title. But it does guarantee that there are no problems with the title that would prevent a sale or refinance of the property.
- ▶ If you borrow money to buy a property or if you refinance your mortgage, you have to buy a loan title policy because the lender requires it.
- ▶ You pay the premium once for each new loan title policy (also known as a lender's title policy). This loan policy protects the lender. The loan policy stays in force as long as the mortgage loan exists.
- ▶ You don't have to buy an owner's title policy when you buy a property, but this policy gives you protection above the protection of the loan title policy. You buy (and pay for) an owner's policy once each time you buy a property, and it stays in force—keeps protecting you—for as long as you own the property.

# What Is Title Insurance?

- ▶ Premium discounts may be available to lower your premium. The most common discount is a refinance or reissue discount. Ask your title agent or title insurer about discounts.
- ▶ In Louisiana title insurers may charge different premium rates. Shop to find the lowest premium.
- ▶ The premium you pay for title insurance in Louisiana does not cover title search or examination. You will be charged a separate fee for these services in addition to the premium charged for the title insurance.
- ▶ While your lender may require you to buy a loan title policy, you always have the right to choose the title agent and title insurance company. If your real estate agent, attorney, lender, home builder or other real estate professional tells you that you're required to use a particular title agent or title insurer, that's not true, and you should report this to Louisiana Department of Insurance and the U.S. Consumer Financial Protection Bureau.

# What Is Title Insurance?

- ▶ The [Louisiana Department of Insurance](#) and the [U.S. Consumer Financial Protection Bureau](#) have more information about title insurance. They also will take your complaint if you feel you haven't been treated fairly.
- ▶ With title insurance, you get a title search, a title commitment and a title insurance policy. In a [title search](#), the title agent or title insurance company searches public records for any problems with the title, such as someone other than the seller having a legal right to the property.
- ▶ The [title commitment](#) is the insurance company's promise to issue a title insurance policy under certain conditions.
- ▶ The [title insurance policy](#) is the title insurance company's promise to try to fix some problems missed during the title search or to promise to pay your lender or you if the title problems can't be fixed.  
**Remember, a title insurance policy doesn't guarantee there are no problems with a title but the policy serves as a tool to resolve problems with the title that would prevent a sale or refinance of the property.**



# Selecting a Policy

Weigh the costs to insure the risk

- Does it make sense? Could you cover it without insurance?
- Consider policy costs with deductibles and coverage limits
- Is the coverage sufficient?
- Does the policy provide for growth?
- Are there time constraints on modifying coverage?





# Selecting a Company and an Agent



Compare quotes, coverage,  
deductibles and other details

- Stable and accessible?  
Check consumer and  
business reviews,  
network with others

Know what's **not** covered!

# What to Do After the Purchase

- Keep policies easily accessible
- Keep phone numbers readily available
- Maintain insurance-related procedures in business continuity plan
- Review policies periodically
- Meet with agent from time-to-time



Continued ...

# Key Points to Remember

- Insurance
  - Minimizes the impact risks can have on your ability to continue operations
  - Impacts continued financing
  - Helps retain employees
  - Provides protection from liabilities
- Your location, facilities, autos and type of business operations determines insurance needs



# CREATING SUSTAINABLE NEIGHBORHOOD DEVELOPERS PROGRAM: **XACTIMATE**

WEEK 9: Saturday, November 9, 2019, 11:00 AM-  
1:00 PM

Course 9: Estimating: Xactimate Training

Please review the following introductory Xatimate  
four videos by Glenn Berlow.

(1) Introduction:

[https://www.youtube.com/watch?v=5zvzFQbcA44&list=PLhIm\\_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=1](https://www.youtube.com/watch?v=5zvzFQbcA44&list=PLhIm_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=1)

(2) Sketch:

[https://www.youtube.com/watch?v=OkQMDv-Y6Uo&list=PLhIm\\_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=2](https://www.youtube.com/watch?v=OkQMDv-Y6Uo&list=PLhIm_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=2)

(3) Items and Components:

[https://www.youtube.com/watch?v=IHHhf1XGC6Q&list=PLhIm\\_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=3](https://www.youtube.com/watch?v=IHHhf1XGC6Q&list=PLhIm_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=3)

(4) Reports

[https://www.youtube.com/watch?v=g6ivUILZifw&list=PLhIm\\_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=4](https://www.youtube.com/watch?v=g6ivUILZifw&list=PLhIm_pH4UBYAo-Q8tk9uGNOGJ-iyVyQ-L&index=4)

