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From the Chair:

As we roll in to Spring 2013 there's quite a bit going on within IMUA.

Our new interactive website was launched in January and has been very well received. The site includes an interactive data base which allows our industry professionals to maintain their member profile, easily register for events, access news feeds and IMUA's extensive library of reports and papers. Check it out at www.imua.org.

Professional development of our industry professionals is one of our primary objectives. IMUA is increasing the training and education opportunities available. Webinars have become very popular amongst our members and provide an effective vehicle to deliver timely, technical information with convenient access across the country. Next up on April 17, 2013 is a session on cargo theft — "Who's Got Your Load? Fictitious Pick-up and Fraudulent Trucking". The second half of 2013 will feature a robust offering of informative webinars.

IMUA's regional advisory groups offer localized networking and education events in various regions of the country. From breakfast meetings to full day seminars, these sessions provide a great opportunity to mingle with industry colleagues and learn about relevant topics and issues from industry experts. The next Regional Advisory Committee seminar will be a half-day seminar on April 25, 2013 on two hot topics: Hydrofracking and Flood Underwriting in Columbus, OH. Our regional groups welcome volunteers interested in getting involved. For more information see the "committees" section on the website at www.imua.org.

It's time to plan your trip to the 2013 IMUA Annual Meeting in Atlanta. This year's conference is being held at the InterContinental Hotel in Buckhead from May 19 – 22, 2013. The 83rd Annual Meeting features six educational sessions presented by some of the world's leading experts on inland marine trends, underwriting, loss prevention and claims.

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We are excited to round out our educational offerings by bringing back the split session format, offering a choice between the traditional General Session track or the acclaimed Introduction to Commercial Inland Marine course which is designed for those relative newcomers to the industry. No matter if you have 2 years or 20 years of experience, we have something for you at this meeting! Attendees have an unmatched opportunity to network, make new connections and renew friendships with industry peers and trade show vendors.

I hope to see you in Atlanta.

Peter Opinante, IMUA Chairperson

IMUA Announces 2013 Annual Meeting Scholarship Recipients

IMUA is pleased to announce the 2013 Annual Meeting Scholarship recipients. IMUA has awarded four "scholarships" to risk management college students. Each of the winners will receive an all-expense paid trip to the IMUA Annual Meeting in Atlanta, GA, May 19 - 22, 2013. Two students, Nicole Lacy and Taylor Zitkus, from the Katie School of Insurance at Illinois State University and two students, Amy Mathes and Mojgan Zekavati, from Georgia State University's Department of Risk Management and Insurance were the recipients of the awards.

The scholarships were awarded based on an essay competition. We are confident that this meeting will provide many opportunities for academic, personal, and professional growth for these students. It is this level of talent that we are continually seeking to nurture as an association in order to develop the next generation of insurance professionals.

This year's meeting agenda features the highly acclaimed parallel track "Introduction to Commercial Inland Marine Insurance" for those relative newcomers to inland marine.

For more information or to register for IMUA's 2013 Annual Meeting [click here](#).

Fictitious Pick-up and Fraudulent Trucking

Cargo theft is becoming more and more sophisticated as criminals posing as legitimate truck drivers add to the sharp increases of numbers of fictitious pick-ups. IMUA's Transportation Committee has put together an informative webinar focusing on how to manage this growing risk. Leading industry experts will present strategies to:

- Identify likely targets for fraudulent trucking
- Spot red flags: high values, long haul, dummy brokers/truckers
- Create your due diligence checklist

This lively and informative webinar session will take place on Wednesday, April 17, 2013 from 12:00 noon to 1:30 p.m. EDT (Please adjust start time according to time zone) and is presented by:

Capt. Sam Wadhvani, Transit Risk Management
Edgar Rochelson, Chubb Group
Jeff Hall, Transit Risk Management

\$59.00 Members /\$99.00 Non-members
(per computer & phone)

To register [click here](#).



2013 IMUA Annual Meeting...

The Industry's Foremost Professional Development & Networking Event



Featured General Sessions:

- Outlook for the United States and Global Economies
- Hydrofracking
- Construction Project Management from the Owner's Perspective
- Risk Management: The Audubon Bridge Project
- Property Valuation
- Superstorm Sandy: Causes and Effects



Presenting a parallel track for those relative newcomers to the industry.

Introduction to Commercial Inland Marine Insurance Sessions:

- Industry Overview
- Builders Risk
- Contractors Equipment
- Transportation



For more information or to register online go to www.imua.org

Professional Development = **Growth**

Click here to register today!

Fracking

The growth of underground operations adds a sense of urgency to the consideration of earth movement exclusions.

Probably the best-known of these operations is hydraulic fracturing, or “fracking,” the process of injecting water into subsurface rock formations to free natural gas. Fracking has expanded dramatically over the past decade, especially in the “Marcellus Shale” region that stretches from central New York through much of Ohio and Pennsylvania, and parts of neighboring states.

Fracking is not the only such underground process, however. A 2012 report by the National Research Council cited four areas of energy development that employ subsurface fluid injection or extraction: geothermal energy, conventional oil and gas development, shale gas recovery (fracking, typically), and “carbon capture or storage.”

The report notes that “a small string of seismic events . . . has been related to waste water disposal associated with oil and gas production,” adding that “only a very small fraction of injection and extraction activities at hundreds of thousands of energy development sites in the United States have induced seismicity at levels that are noticeable to the public.”

The report concludes that fracking does not pose a high risk for inducing “felt seismic events,” and that very few such events have been documented as arising from waste water injection. Carbon capture or storage, however, “due to the large net volumes of injected fluids, may have potential for inducing larger seismic events.”

Earth Movement and Builders’ Risk:

AAIS updates its exclusion and coverage endorsement

Joseph S. Harrington, CPCU
Director, Corporate Communications
American Association of Insurance Services (AAIS)
Wheaton, Ill.

Singer-songwriter Carole King famously sang that she could “feel the earth move under my feet” whenever her man was around.

Would that qualify as an “induced seismic event?” If it did, would any resulting damage qualify for coverage under a standard earth movement exclusion?

Levity aside, property insurers are expanding the scope of what they consider to be “earth movement” to include manmade events. Two trends are driving the move to expand the scope of earth movement exclusions in property policies:

- Several recent court rulings that limited the application of earth movement exclusions to natural events; and
- The growing use of underground operations that can actually cause small earthquakes capable of causing physical damage to structures.

On the legal front, one of the most recent rulings came in March 2012 from a federal district court hearing a commercial property case in Massachusetts. The court ruled that an insurer could not invoke its earth movement exclusion to deny a claim for damage to a floor that occurred after water from a burst pipe soaked and unsettled the ground beneath the building.

The exclusion in question addressed “. . . earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.”

According to Massachusetts insurance attorney Owen Gallagher, the federal court found that a reasonable insured would not consider damage resulting from a burst pipe to be “earth movement.” In his analysis of the ruling, Gallagher writes that “it is likely that courts will interpret that the ‘earth movement’ exclusion applies only to natural causes.”

The federal court ruling in Massachusetts follows rulings in the previous decade by the Florida Supreme Court and a New York appellate court, among others, limiting the application of earth movement exclusions and anti-concurrent causation language in homeowners policies. Other courts have found in favor of insurers, but the potential for exposure is clearly established.

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Builders' Risk

Builders' risk insurers have expressed concern over the possibility of that they may be liable for losses arising from forms of earth movement not contemplated under most builders' risk coverage forms.

Today, builders' risk base typically policies exclude coverage for losses arising from earthquake and other earth movement; coverage for such losses is often made available by endorsement, and priced accordingly.

In response to the concern, the American Association of Insurance Services (AAIS) expanded the definition of "earth movement" included in a recent revision of the forms provided in the Builders' Risk section of the AAIS Inland Marine Guide.

AAIS is a national insurance advisory organization that develops policy forms and rating information used by more than 700 property/casualty insurers throughout the U.S. The Inland Marine Guide is an industry-leading resource of forms, rating information, underwriting guidelines and other information for writing the traditionally nonfiled classes.

Under the latest version of the Guide's Builders' Risk jobsite forms, the definition of "earth movement" is expanded to explicitly address both natural and manmade events.

First, the definition includes earthquakes, volcanic eruptions, landslides, mine subsidence, and other movements of the ground (except sinkhole collapse, a defined term on its own). In this respect, the definition is similar to those found in standard property forms in recent decades.

The new departure comes with the definition's inclusion of ground movements arising from construction or excavation activities, blasting or vibration, water injection (for fracking or other purposes), and other human activities for extracting or storing substances underground (which would address losses arising from carbon capture or storage).

The immediate impact of the revised definition will be to clarify that the earth movement exclusion built into the Builders' Risk jobsite forms extends to human-induced, accidental, and natural occurrences of earth movement.

Protection for carriers is further enhanced by a modification to the forms' defects, errors, and omissions exclusion. The revised exclusion applies regardless of whether an act or omission originated at insured property or was being performed on behalf of the insured.

This modification responds to recent court rulings which held that earth movement (and faulty workmanship) exclusions apply only to losses originating at insured locations or from acts performed on behalf of the insured.

Transportation Committee Releases Paper on 2013 Trends and Forecasts

The transportation component of the inland marine industry has traditionally been a difficult piece of the inland marine book, with many insurers struggling to find that one key to making it a profitable segment of their inland marine book. The transportation industry overall continues to grow and therefore it will be a significant part of an inland marine book, making that key even more critical. It will always be necessary for inland marine underwriters to stay on top of how the transportation industry is changing and to determine what factors can be used by an underwriting company in selecting and honing their appetite for this unique book of business. The IMUA Transportation Committee has compiled a paper on key trends and forecasts for 2013. To read the paper click [here](#). To access other IMUA reports & papers you may visit our website by [clicking here](#).

How Much Do You Know About the AMIM Designation?

Arthur L. Flitner, CPCU, ARM, AIC — The Institutes

Did you know The Institutes' Associate in Marine Insurance Management (AMIM®) designation program has an ethics requirement?

The Institutes believe ethical decision-making skills are essential to the practice of insurance; therefore, all designation program participants must fulfill an ethics requirement. Two options are available. Both are offered online and are provided free of charge:

- Ethics 311—Ethical Guidelines for Insurance Professionals
- Ethics 312—Ethics and the CPCU Code of Professional Conduct

Ethics 311 or 312 is required for AMIM and all associate designation programs, while Ethics 312 is required for the Chartered Property Casualty Underwriter (CPCU®) program. If you plan to pursue the CPCU designation now or in the future, we recommend that you take Ethics 312 to satisfy the AMIM ethics requirement, as it will also satisfy the ethics requirement for CPCU and any other Institutes associate designations you may decide to pursue later.

Did you know you could take as many as four CPCU courses while earning the AMIM designation?

Two CPCU courses are among the four required courses for the AMIM program. The program also requires two elective courses that you can choose to support your particular interests or career goals. If you take two CPCU courses as your elective options, you will be halfway

- AMIM 121—Ocean Marine Insurance
- AMIM 122—Inland Marine Insurance
- CPCU 500—Foundations of Risk Management and Insurance
- CPCU 530—Business Law for Insurance Professionals

In addition to the required courses, you must pass the exams for two electives. You may select from a variety of courses, but if your next goal beyond AMIM is to become a CPCU, you can take any two of the CPCU courses below to earn the AMIM designation and earn credits toward the CPCU designation:

- CPCU 520—Insurance Operations
- CPCU 540—Finance and Accounting for Insurance Professionals
- CPCU 551—Commercial Property Risk Management and Insurance
- CPCU 552—Commercial Liability Risk Management and Insurance
- CPCU 560—Financial Services Institutions

The other AMIM electives from which you may choose are as follows:

- AU 60—Commercial Underwriting Principles
- AU 61—Underwriting Commercial Property
- AU 62—Underwriting Commercial Liability
- AU 67—Strategic Underwriting Techniques
- ARM 54—Risk Assessment
- ARM 55—Risk Control
- ARM 56—Risk Financing
- AIC 31 —Property Claim Practices
- AIC 32—Liability Claim Practices
- AIC 33—Claim Handling Principles and Practices

- AIC 37—Managing Bodily Injury Claims
- AIC 44—Workers Compensation Claim Practices
- AAI 81—Foundations of Insurance Production
- AAI 82—Multiple-Lines Insurance Production
- AAI 83—Agency Operations and Sales Management

Did you know IMUA helped to develop the AMIM program?

IMUA and the American Institute of Marine Underwriters (AIMU) asked The Institutes to develop the AMIM program and provided financial and technical assistance to The Institutes for creating the AMIM 121 and 122 study materials. IMUA and AIMU are also sponsors of the AMIM academic awards that recognize the AMIM program completers who had the highest scores on the required examinations. Over 1,400 insurance professionals have earned the AMIM designation since the program's inception in 1988.

The AMIM program balances the study of specialized ocean and inland marine insurance and underwriting content with material on the overall business of insurance, so that program participants can apply their knowledge to a wide variety of situations. The program is intended to prepare people working in the inland and ocean marine industry for marine management positions, which is why CPCU courses are included in both the required and elective courses.

Did you know The Institutes can help you track your professional development progress?

With The Institutes' My Progress Tracker tool, you can see how your current exam credits apply across all Institutes programs. Click on the Students section of our website to access links for these services:

- Viewing your profile
- Checking grades or ordering transcripts
- Enrolling in an instructor-led online class
- Filling knowledge gaps quickly and conveniently at your workstation by self-studying with Institutes Online learning
- Finding a public class
- Downloading frequently used publications and forms
- Exploring how to use your exam credits in various Institutes programs (My Progress Tracker)

Did you know that IMUA and AIMU are public class sponsors for AMIM 121 and 122?

Although The Institutes offer online classes for larger programs, such as CPCU, they do not offer them for AMIM 121 and 122. Moreover, "live" classes for AMIM 121 or 122 are hard to find because there are not usually enough students at one time in a local area to support a class. IMUA and AIMU have developed the perfect solution to this problem: a series of online webinars (one webinar for each course assignment plus a review session) instructed by subject matter experts selected by IMUA and AIMU. To find out when these webinar classes are being offered, check with Lillian Colson at lcolson@imua.org or Eileen Monreale at emonreale@aimu.org.

The Institutes look forward to continuing to meet your educational needs. Visit our website at www.TheInstitutes.org to learn about our exciting new programs.

Arthur L. Flitner, CPCU, ARM, AIC, is senior director of knowledge resources for The Institutes in Malvern, Pennsylvania. The Institutes are the leader in delivering proven knowledge solutions that drive powerful business results for the risk management and property-casualty insurance industry. Mr. Flitner can be reached at flitner@TheInstitutes.org.

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Coverage

For builders' risk insurers, consideration of earth movement doesn't end with exclusions, however. Inland marine carriers often add coverage for earth movement by endorsement option.

For decades, those coverage options have typically allowed policyholders to "buy back" what was excluded in the base form. The optional coverage has mirrored the base form exclusion.

That's how it remains in the latest AAIS Builders' Risk revision.

For the foreseeable future, the AAIS Builders' Risk earth movement coverage option (which also includes flood coverage) will incorporate AAIS's new definition of "earth movement" in its entirety. The coverage will, therefore, extend to natural and manmade causes indicated in the endorsement.

According to Robert Guevara, AAIS vice president of inland marine and principal developer of the Inland Marine Guide, AAIS has taken this approach because it follows customary practice, and because primary carriers and reinsurers indicate that the frequency and severity of human-induced earth movement is not great enough to treat them separately from natural events.

AAIS will be monitoring loss experience in this area, Guevara adds, and regularly consulting its Inland Marine Guide affiliates regarding their views on coverage for human-induced and natural earth movement.

Joseph S. Harrington, CPCU, is director of corporate communications for AAIS. Before coming to AAIS in 1994, Joe was a writer and editor for newspapers and business publications. In addition to his work at AAIS, Joe served on the IMUA's Legislative and Regulatory Affairs from 1999 to 2001. He has been active in the CPCU Society, and served on a national committee advising the American Institute for CPCU on changes to the CPCU curriculum. Joe has a bachelor's degree from Sacred Heart University, Fairfield, Conn, and a master's degree from the University of Connecticut, Storrs.

For Mr. Gallagher's analysis of the federal court ruling in Massachusetts, go to "Court's Interpretation Unsettles 'Earth Movement' Exclusion," available online at <http://agencychecklists.com/law-alerts/earthmvmvt/>

Citations here of the National Research Council report are from the June 2012 prepublication version, which may be subject to revision. The prepublication version is available at http://www.nap.edu/catalog.php?record_id=13355

New IMUA Members

IMUA welcomes the following new members:

Argo Group is an international underwriter of specialty insurance and reinsurance products in areas of the property and casualty market. Colony Specialty, a subsidiary of Argo Group, recently added a new Inland Marine Unit. The company's portfolio of Inland Marine products will include: customer goods in transit, motor truck cargo legal liability, contractors equipment, riggers liability, builders risk and renovation projects, installation floaters, commercial output policies, warehouse legal liability, and a variety of floaters.

Founded in 2001, **Endurance** is a global provider of insurance and reinsurance products and services. Endurance Specialty Insurance Group focuses on the middle market and complex accounts to offer a diversified set of insurance products including manufacturing, construction, service, retail operations as well as property coverage for earthquake and flood.

Ironshore was founded in 2006 and began writing property insurance in January 2007. Today Ironshore offers property and casualty insurance, energy insurance, construction insurance, builders risk insurance, environmental insurance and many more across the globe.

ProSight Specialty Insurance was founded by industry veterans and focuses exclusively on niche markets. ProSight writes policies through one of its four subsidiaries in the Northeast, Southwest, or its Lloyd's of London Syndicate. It works with the Lloyd's global distribution network and other partners to provide advice and risk underwriting for specific risks and all-business cover in the following sectors and classes: cargo, property, engineering, liability, and film and entertainment.

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Tower Group Companies is a leading provider of diversified niche-oriented property and casualty insurance products and services for inland marine coverages including commercial construction and specialty transportation. Other coverages provided are property, liability, professional liability, workers compensation, commercial auto, non-standard auto, and fidelity.

...and new associate members:

Aon Benfield is a reinsurance intermediary and full-service capital advisor. With more than 80 offices in 50 countries, their worldwide client base has access to a broad portfolio of integrated capital solutions and services. Aon Benfield Analytics offers catastrophe management and modeling services. The company also offers claims and contract wording services.

Gridiron Insurance Underwriters distributes niche and program driven insurance products via wholesale and select independent agent relationships. Gridiron currently manages eight programs and is in the process of developing several others. The programs cross multiple lines of business and are broad in spectrum including inland marine, liquor liability, general liability, property and professional.

Overcome Call Reluctance and Practice Sales Habits for Success

Tom Redmond, The Redmond Group, Inc.

What is Sales Call and Contact Reluctance?

Have you ever experienced the following scenario? Arrive at your office with the goal of contacting five brokers / agents today, rev up your computer, bring up your incredible prospect management program, you're just about to initiate a contact and you decide, "No, I think I'll do something else first".

This is Sales Call Reluctance

What blocks us from making outbound contacts to agents and brokers?

Redmond's sales truths:

"Call and contact reluctance happens only 100% of the time".

"Call and contact reluctance are natural parts of the sales process".

"If you don't think you have call and contact reluctance – don't worry, you do!"

After working with thousands of sales professionals, our view is that Sales Call Reluctance is unavoidable. There are sixteen distinct measures and you will have at least one of the sixteen, count on it.

First of all, here's a reminder of the indisputable secret of success in sales:

"The number of contacts initiated with prospective buyers on a consistent basis." Buyers, in this case, are your agents and brokers.

Here are five types of sales call and contact reluctance behaviors that we see regularly – do you recognize these behaviors in yourself or others?

Over Preparation – Sounds like a wonderful quality to us. Prior to making a contact, the over-preparer will stay busy with excessive research, surfing the web, re-checking details, obtaining the latest agency brochures, financial information, etc. Then it's 5:15 p.m. and the contact has not been made, but we're getting ready!!! We're not suggesting being sloppy or under prepared, just call it what it is – I simply do not want to make the contact so I'll hide out by building information, building my file and so on.

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Yielder – The Yielder does not wish to seem pushy or intrusive. This type of Call and Contact Reluctance occurs more often than any other type. It's got to be maddening for an underwriter when the producer hesitates to call the prospect for more information or worse, while waiting for an order.

Role Rejection – "I'm not in sales. I'm a Regional Agency Relationship Manager". It always amazes us how seldom we see "Sales" on sales peoples' business cards. This call reluctance type is typified by guilt or shame associated with selling or self-promoting activities. The Role Rejecter will avoid being identified with the stereotypical slick dishonest sales person – "there is no honor in selling".

Social Self-Conscious – This occurs when an underwriter may be intimidated by producers that seem to have more wealth, education, power, prestige, etc. The salesperson with this type of call reluctance is more comfortable calling on non-decision makers – lots of opportunities to offer proposals, no opportunities to close the sale.

Referral Aversion – The fastest way to a sale is through a referral. Yet, many underwriters struggle with this type of reluctance. They are fearful that asking for a referral will spoil an existing relationship, damage the chances for future business or they may appear desperate for new business. We're not talking about being referred to another agent or broker, how about, "Who else should I know here at your agency?" or "Who's new?"

The good news is that all types of Call Reluctance can be identified and overcome.

Here's a quick exercise – Can you think of one agent or broker that you've been meaning to contact and you never seem to get around to it? That one that you should be contacting this afternoon? The likely culprit for your delay is one or more types of call reluctance.

The steps to overcoming these behaviors are: first, set a contact goal for today; acknowledge the existence of call reluctance; be alert to your call reluctance experiences; do something to break your thinking pattern!

Top Ten Sales Habits

A sign posted on the office wall of a sales consultant:

"Follow a regular practice of outbound contact even when on a plateau (or in a ditch)"

Even the most accomplished underwriting professional, can find themselves backing off from their usual game plan because they have arrived on that wonderful plateau of success. Others become discouraged because they find themselves in a ditch, a point far away from their intended goal. Both of these situations happen only 100% of the time in underwriting careers.

Here are the top ten habits, the best practices to increase sales, raise the level of the plateau and get out of the ditch – enjoy and apply (at least) one today:

1. Define and write down your sales process: what are the predictable and necessary steps from your initial meeting with your producer until after the close?
2. Set Meaningful and Measurable Sales and Activity Goals for the next 30 days and the next 90 days. Try not to confuse tasks with goals and measure your progress along the way.

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3. Define your sales process activities/tasks that are necessary to achieve your goals: Goal Setting, targeted brokers and agents, target prospects and lead sources, research/verification, referral harvesting, contact strategy, appointments, proposal preparation, presentations, follow-up, etc.
4. Be absolutely clear as to your target market(s), industry segment(s), target accounts, size, location, quality and how to best reach them. What are your target account, agent and broker criteria? Who are the decision-makers? How do I best reach him or her?
5. Use automated contact management software to track your agent and broker contact and follow-up activities and simplify who to contact each day.
6. Commit to a constant number of prospective accounts and new premium in the proposal / quotation stage at all times. If one prospect drops off, replace it with a prospect of like or better size and quality. This is a key leading indicator of sales success. A salesperson that does this consistently is well ahead of the pack.
7. Commit to a set number of sales activities for today and don't leave until they're done. The number should be a stretch but not impossible. This is a commitment, not punishment. Check back at number 3 and go forth with enthusiasm! How about this: 10 x 12 (contact 10 brokers / agents by noon); or 20 x 5, 10 x Friday, etc. Start from the possible and move toward the impossible.
8. Make an appointment with yourself to execute your defined sales activities. Block your calendar. The appointment with yourself is to be considered as important as one with your best broker, your most promising agent and should be canceled or rescheduled with the same care. Look at next week's calendar and make appointments with yourself right now.
9. Make sales a major focus of all job functions within your organization. The most successful underwriting professionals have developed strong relationships within their organization – they get a team, their team, behind them. Many organizations have established reward systems through which support personnel can share in sales successes both financially and emotionally.
10. Reward yourself for victories both large and small - even if it's for consistent effort that may have not paid off yet.

And keep in mind...

- 11....a sense of humor is helpful!

Tom Redmond is president of Redmond Group, Inc., specialists in the systematic process of developing and retaining new business. We design sales and retention process maps and unique measurement tools to track progress to meet business objectives. We conduct in-house workshops, individual and sales team coaching, Webcasts and assist with product launches.

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732-957-0005 917-860-1406 (cell)

Our "17th year" and now a book [Selling from the Inside Out](#)

Crane Accidents and Some Hard Truths!

Jay Shiffler, WHECO Corporation

For agents and underwriters, the process of gathering information and performing due diligence when insuring cranes, should be detailed and thorough. In addition, consideration must be given to how you will manage the post-accident experience should an accident occur. That means having a post-accident plan of action that includes having an established and trusted team of vendors and advisers that will assist you through the process. Unfortunately, it is often not until a crane accident occurs that you realize you may not have that team in place. Only then do you discover some not so pleasant and inherent truths about crane accidents. In my 32 years of crane experience including 7 years of dealing specifically with post-accident insurance losses I have discovered some hard truths about crane accidents:

Crane accidents draw a crowd

A lot of outside parties are attracted to crane accidents and it's not just plaintiff attorneys. The OEM's and their dealers and agents, repair and restoration specialists, TPA's and forensics specialists all line up looking for an opportunity to get involved. Having that established team of trusted professionals in place up-front should eliminate having to sort through the rush. And, depending on the incident OSHA may be called in to investigate.

Crane accidents can be, and usually are, very expensive

Cranes and crane components are expensive and so can the injury and collateral damage caused by crane accidents. Often times the collateral damages outweigh the actual equipment damage. So you and your team should have mitigation and maybe subrogation high on your radar screen.

There is a difference between processing and managing a claim

There can be a significant difference between someone with the ability to process a crane claim and someone with the ability to manage a crane claim effectively that will serve to mitigate exposure. We've already determined that crane accidents are expensive, so make sure that every effort is made to manage and not just process the claim.

Most insurance adjusters don't know cranes

There are very few claims specialists or TPA's who truly understand enough about cranes to make them effective claims managers for crane losses. But, there are some out there so look hard and do your research. It's especially important to have access to a qualified crane appraiser that has crane knowledge, understands values, and who can pick and fight your battles for you.

"Experts" may not be who you think they are

Sometimes the "experts" you hire are not the "experts" you expected and it is made worse when you don't know or realize it. Be sure to vet your vendors and experts to make sure they are not just paper-pushers but truly understand how to help you manage a crane loss.

Your accident is like chow at feeding time!

While you are trying to manage and mitigate your exposure there are others trying to enrich and profit from it. You know that the crane accident ocean is full of sharks. Be sure to look for those fins in the water. It can sometimes be challenging to distinguish between who is trying to help you and who is just working the system. It takes everyone doing the "right thing" to fix the broken crane insurance system.

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Manufacturers are not in business to help you to manage and mitigate your post-accident exposure

Manufacturers and their distributors are in the business of selling new and used equipment, new parts and renting equipment. They are not interested in helping you mitigate your exposure. For years the manufacturers have insisted that they have proprietary control over repairs to their accident damaged cranes. OSHA regulations allowing for third party repairs and restoration dispel those myths making the repair option the most viable option for accident damaged cranes.

Manufacturers and their distributors can take extreme and sometimes threatening measures

Often times, manufacturers and distributors try to maintain proprietary control over crane accidents, most often at great expense to the insured and insurance company. PUSH BACK! You can be compliant without the manufacturer being involved. We're not saying not to get them involved, we're just saying don't let them drive the bus. If you control and manage your people, assets and processes then you can control the results.

All too often cranes are sent to salvage that were easily repairable

I personally have seen way too many repairable cranes get sent to salvage because the crane was marked as condemned by either an uneducated appraiser or a manufacturer whose decision was not in the best interest of their customer.

So I want to encourage you that when insuring cranes it is important to build a team of trusted vendors and advisors so that in the event of an accident or incident that you will have a group of allies looking after you and your insured's best interests. WHECO is a proven partner in helping insurance companies manage and mitigate their crane and heavy equipment losses. Getting WHECO and a good adjuster involved early in the process to help you should be your first option, the repair option.