



Covering Home: Residential Roofing

It's Vital to Track Insurance and Weather

Bill Seibert

The 2012 severe weather season is upon us and it's already been a very active season. It is the time of year when roofing contractors across the country are busy trying to keep their heads above an ever-rising tide of water—and work. (See “Weathering a Storm’s Aftermath,” p. 18).

Those of us who serve on the MRCA Board of Directors are working hard to keep our businesses running smoothly as we continue to raise the standards of the entire roofing industry. In an effort to address the concerns of all Midwest contractors, MRCA is dedicating this new column in *Midwest Roofer* (MR) magazine to the residential roofing industry, and I have been selected to move this column forward. I am extremely honored to be a part of MR, and will work very diligently to keep the topics current and of interest to my friends in the residential roofing industry.

When I started my business in August 1995, I had 6 years of field experience. I was a young man who was ready to take on the world. At the time, I was unaware of the extent to which MRCA serves as an incredible resource, so I went to my own best resource, my Grandpa Jack, to ask for advice on how to start this crazy business venture. His advice was simple: “Hire a good attorney, a good banker, a great accountant, and protect your ass...ets.”

I followed his advice and hit the ground running. As a residential contractor, my business plan was relatively simple: I intended to adhere to my 1-, 2-, 5-, 10-, and 15-year business plans, which included staying in compliance with both federal and state employment laws and maintaining my family’s “inner peace” by limiting my exposure to risks by having proper insurance coverage and making sound business decisions.

However, the third project of my fledgling roofing career made crystal clear the importance of *proper insurance coverage*—and this was long before we had the luxury of cell phones and weather-forecasting apps.

What happened was this: My company was reroofing an old Victorian residence that was tall, steep, and deep. We had the entire roof opened up when Mother Nature decided to suddenly park a thunderstorm directly above our work site. The storm dumped 1.5 inches of rain in 45 minutes on a roof that didn’t have a stitch of waterproofing. There was nothing we could do. Of course it resulted in a major insurance claim, but thanks to Grandpa Jack’s sound advice, my company was protected. We survived and we are still servicing that customer (although my company has since found a new insurance carrier).

This month’s cover story addresses workers’ compensation insurance (see “The Workers’ Comp Insurance Market Is Hardening,” p. 8), so let’s touch on general liability (GL) insurance here. As you are well aware, roofing is a high-risk and high-reward industry. By being properly insured, a roofing contractor reduces some of that risk. Although GL insurance is a must for *all* contractors engaged in roofing, many GL policies have exclusions on roofing due to the risk factors involved. Therefore, it is imperative that roofing contractors have proper GL coverage that includes roofing as a covered trade.

GL insurance is designed to protect a company and its employees but not its customers. Without proper coverage, roofing contractors are setting themselves up for some potentially devastating consequences. Accidents happen; carrying the proper GL coverage is the best and safest way to protect the roofer and the contracting company from accidents. Never forget that on a residential project, you may have children playing in the front yard, dogs running around the back yard, and a ‘32 Ford roadster parked in the driveway. If a tool falls from the roof, it can cause a lot of harm and damage.

This type of simple and innocent accident exemplifies why it is so important to carry GL insurance for roofing and having the proper dollar amounts of GL coverage. If you have a catastrophic claim and your insurance coverage is not high enough, your company can be sued for the amount of income you are bringing in or already have made. Although you want to see your employees or customers through an accident, you do not want to do it via lawsuits and legal fees, nor by having to sacrifice your own savings or future earnings.

This is why insurance exists, and it is your responsibility as the contractor to have the proper coverage in place. Always keep in mind that insurance is there to protect you and your assets. You must be honest with yourself when determining coverage amounts and assessing what your long-term livelihood is worth.

There are many insurance professionals available to help guide you through the insurance process. If you don’t work with one already, please contact one.

“Whether you are a residential or commercial contractor, insurance is a major issue affecting your business.”

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