



Jefferson County Home Builders Association's Building Community

April 2004
Volume 3, Issue 4

Newsletter

Insurance woes cause industry nightmares

Just the mention of liability insurance is enough to bring waves of nausea to many of you. Imagine paying \$15,000 in premiums a handful of years ago and be quoted \$151,000 in 2004. No, it's not an anecdotal tale, it happened to one of our own.

Insurance premiums, once subsidized by a booming stock market, are now eating away at dwindling profits. Many companies have gone out of business or decided to specialize, instead of being general contractors. You've been told to retire now, if you can. It isn't going to get better.

Okay, enough gloom and doom. It stinks and we know it.

The BIAW (Building Industry Association of Washington) pushed the Cure Bill (2002) and Contractor Protection Bill (2003) into law for you. Have you familiarized yourself with each? Have you asked your attorney about incorporating them into your contracts? Do you give every one of your home buyers a maintenance manual?

The BIAW is doing its part. You must do yours.

You owe it to yourself to work with an insurance broker who understands the contractor liability market. Ensure him that you are fulfilling your part of the Cure Bill and Contractor Protection Bill.

Locally, both Bob Carter (McDonald Insurance Group, 385-9550) and Jim Maupin (Homer Smith Insurance, 385-3711) have assured us they can help you in your quest.

Apparently, at least one insurance carrier has tiptoed back into the builders' market.



*Are you feeling like
a walking target?
You're not alone.*

Why should you pay 90 percent of the claim, if you're only about 10 percent responsible?

A 1990 state decision holds general contractors liable for injury and safety violations committed by subs and their employees. There should be more accountability placed on the subcontractors when their employees do not meet your (or WISHA's) safety requirements.

Mold continues to be an issue. That's one of the reasons it is critical that you give maintenance manuals to your customers. Prevention is the first line of defense against mold (and liability).

The Condominium Act needs amended to allow condo buyers and sellers to agree to binding arbitration. Negotiated warranties should replace statutory warranties.

Some good news: The BIAW is currently exploring the possibility of forming a risk retention group.

With more than 10,000 member companies, and a history of success running its retrospective ratings program, there is no doubt the BIAW has what it takes to manage such an insurance program. It may, however, first opt to join an existing risk retention group to see how the numbers play out.

At the winter BIAW board meeting, BIAW Second Vice President Leonard Terzenbach (Pacific Insurance Agency, 877-799-1133) announced a new contractor's liability program. Available to contractors who build less than 100 homes a year, it boasts lower premiums and fewer exclusions.

There are several legislative "fixes" that, if addressed, may help the insurance situation.

A tort reform bill may have died in the last legislative session, but the BIAW will no doubt revive it. Frivolous and/or profiteering lawsuits must be reined in.

Joint and several liability must also be eliminated. The responsible party should pay a proportionate share of the damages.

Earn a three-night cruise for two

Be the first member to sponsor six new JCHBA members by June 30, 2004 and set sail aboard the ms Amsterdam!



- ◆ *Departing Seattle Sept. 30 for three nights*
- ◆ *Destinations: Vancouver and Victoria, B.C.*
- ◆ *You and a guest enjoy 5-star service on the flagship of the Holland America Line. Meals, entertainment and activities included.*

*On the gangway so far...
One new member each:
Gail and John McClane
Bill Eldridge*

The small print: Credit given for new members only. Full payment must accompany application. Applicant must be approved by JCHBA board of directors. Applications are in the JCHBA office, at www.jeffcohomebuilders.com, hanging on the JCHBA office door, or call 379-8784. Whoever actually "closes the sale" gets the credit towards the cruise. First one to get six members sails away Sept. 30!

Scholarship deadlines here

Jefferson County Home Builders is offering scholarships to graduating seniors, or those with GEDs, who plan to pursue a course of study relevant to the building trades. The scholarship may be used for their post-secondary education, college or vocational, public or private. Student portfolios may be mailed to JCHBA, P.O. Box 1399, Port Hadlock, WA 98339. Deadline: May 15.

Additionally, the Building Industry Association of Washington (BIAW) is accepting applications from its members, family members, or employees of a BIAW member company. (JCHBA members are members of the BIAW.) The student may already be enrolled in an accredited school.

BIAW's scholarship packet may be found at www.biaw.com. Deadline: postmarked by May 14.

Questions? Call 379-8784.

Learn tools to attract members

Marianne Moe will host a Recruitment Training Party at her Port Ludlow home on April 28; the exact time depends on the schedules of those who sign up. The goal of the party (besides having some fun!) is to provide you with tools to use to attract new members into the JCHBA. Knowledge is Number One — you must believe in, and know a lot about, any product to sell it successfully again and again.

The JCHBA directors are offering a cruise as the prize for the winter/spring membership drive. And, I'll let you in on a secret: The summer/fall prize is going to be just as enticing. Call Sandy, 379-8784, to sign up.

Membership recruitment and retention is at the heart of every successful organization.

Reminder

Check online member info

We've gotten a couple of additions/corrections for the membership directory. Are there any others out there? Speak up now before the membership directory is in print!

The print version of the 2004 JCHBA Membership Directory is in the works. The first step is for each of you to verify your online listings at www.jeffcohomebuilders.com. Check for accurate data and that your business is listed under the correct area, or areas, of expertise. If you find any errors, call 379-8784, or e-mail jchba@olympus.net, by May 1.

JCHBA annual golf tourney



Polish up those golf clubs. The Jefferson County Home Builders Annual Golf Tournament is set to tee off at the Port Ludlow Golf Course on Friday, August 6.

We're seeking tournament sponsors and players. Tourney organizer Jim Groves would love some help, too!

Call 379-8784 for more information.

Been using your HBA logo?

As members of the JCHBA, you are entitled to proudly display its logo on any of your promotional materials, letterhead, Web site, etc.,

A full color, print quality version of the logo is available on the Insights page of our Web site at www.jeffcohomebuilders.com.

Rest assured that printers and newspapers can easily retrieve and manipulate the graphic without



Member

your assistance. If you are in need of any technical help, feel free to call Sandy, at 379-8784.

National Association of Home Builders and Building Industry Association of Washington logos are also available for your use.

Workers Compensation refunds you've earned can keep going here

Or here... You decide

Join BIAW's ROII program and receive an average refund of 30% on your L&I Premiums.

Apply Now!
1-800-228-4229

Building Industry Association of Washington
P.O. Box 1909, Olympia, WA 98507

BLAW SPIKE PARTY!

**Wednesday, June 16
7:30 to 10:30 p.m.**

**At the beautiful
Resort Semiahmoo
Blaine, Washington**

To qualify, you must be a current BIAW Spike and recruit at least one new member between November 1, 2003 and April 30, 2004, OR have earned at least 100 Spike Credits as of April 30, 2004. Qualified Spikes may bring one guest!

To RSVP, please call Amanda at BIAW at 800-228-4229 by June 1.



Welcome new member

**McCrorie Carpet One
David McCrorie**
11662 Rhody Drive
Port Hadlock, WA 98339
360.379.9500 • 360.379.9907 (fax)
E-mail: porthadlock@mccrorie.com

Sponsored by:
Marianne Moe

OBJ posts newsletter

Did you get the April Olympic Business Journal in the mail? You should have. All JCHBA members were to have been added to the OBJ's free mailing list.

For two more months, a JCHBA newsletter will appear in the journal. The North Peninsula Building Association's newsletter is also being featured in the newspaper.

Whether or not we continue with this arrangement depends on if the OBJ's advertisers like the idea and place ads in our section.

More importantly, do you like it? Do you prefer this method of getting your news to the one mailed to you each month?

Let us know your thoughts. Call 379-8784.

JCHBA Officers

President: Marianne Moe
360-437-2740

Vice President: Rick Tollefson
732-4080

Secretary: Dan Dankert
732-4976

Treasurer: Rick Gore
385-6883

Board Members:

Jim Groves
Kevin Miller
Bill Irwin
Fred Kimball
Bob Little

Executive Officer:

Sandy Hershelman
360-379-8784

jchba@olympus.net
www.jeffcohomebuilders.com

Editor: Sandy Hershelman

360.379.8784
Jefferson County
Home Builders Association
P.O. Box 1399
Port Hadlock, WA 98339



Creative advertising attracts new business

*Our guest speaker:
Staci Matthes, publisher
Olympic Business Journal*

Castagno's

Thursday, April 22

6:30 p.m.

\$18

2123 West Sims Way
Port Townsend



Members John and
Gail McClane's new
restaurant

Reservations made, but not cancelled by April 20, will be invoiced.



Put the
**insurance nerd to
work for you.**

YOU ARE THE PENS, WE ARE THE
POCKET PROTECTOR.

Call to set up your FREE portfolio analysis.

Bob Carter, Broker
(360) **385-9550**

2409 Jefferson St., Suite C, Port Townsend
(Behind the Visitor Information Center)



**Bob Carter has sure had a lot of fun
with his *Leader* advertising campaign!**

***Please RSVP by April 17
379-8784***

***Dinner selection:
Prime rib or salmon***