



Pikes Peak Chapter

The Construction Specifications Institute



Pikes Peak Chapter CSI January Chapter Meeting Stephanie Beninati, Strategic Insurance Services



Join us this month for a presentation from Stephanie Beninati. Stephanie is the Broker and Owner of Strategic Insurance Services. Stephanie is in the top 1% of women who are 100% owner of an independent commercial insurance agency specializing in construction and hard to place risk. She has been assisting the construction and real estate community with their insurance and warranty needs for over 20 years.

On an ongoing basis, Stephanie presents seminars to help educate the industry, and offers networking opportunities for builders and subcontractors. Stephanie also participates in speaking engagements to help young entrepreneurs tackle the challenges of business ownership.

Stephanie has served on the Board of Director for the Home Builders Association of Metro Denver and the Home Builder Foundation. She currently sits on the Board of Directors for the Construction Resource Group, where she has been a founding member since 2008.

Attached at the back of this edition of The Intent is a white paper written by Stephanie titled “Lost in Translation”.

Date: Wednesday, January 30, 2018
Time: 11:30 a.m. to 1:00 p.m.

The Warehouse
25 W. Cimmaron Street
Colorado Springs, CO 80903

No cost to Pikes Peak Chapter members
Please RSVP at www.pikespeakcsi.org
by noon on
Monday, Jan 28

Strategic Insurance Services is an Insurance Agency providing the construction industry with all types of insurance products from WRAPS, General Liability, Workers Compensation, Builders Risk and much more. SIS works with industry professionals to create educational seminars on topics like Construction Defect Litigation, Warranty Management and much more. SIS also offers four Client Appreciation Events each year. They specialize in all levels of construction large and small and are well versed in hard to place commercial risk. In 2017 SIS rolled out their Concierge Products with SISCerts+ and SISWarranty+.

MESSAGE FROM THE PPCSI BOARD

Happy 2019! I hope you all had a wonderful holiday season, and are looking forward to a busy, prosperous new year!

We have some very exciting programs coming up the remainder of this year and look forward to seeing you all at our meetings. This month, we will have Stephanie Beninati from Strategic Insurance Services. We all have to have business insurance, and it's a wonderful opportunity to learn more about insurance products specifically geared to our industry.

Our tabletop presenter this month is Dean Leschak CDT, Architectural Manager at PPG Paints. Dean is an active member of our Chapter and very knowledgeable about paint products and our industry.

Next month, we will have a presentation from Ryan Tefertiller, City of Colorado Springs Downtown Planner and Ryan Phillips, City Engineer. The presentation will cover some of the work that is going on in SW downtown and how these efforts relate to the Experience Downtown Master Plan.

We are also extremely excited about our upcoming tour of the US Olympic Center tour on March 6. We will provide more information on this tour as it becomes available. We will also have a regular chapter meeting on March 20.

Remember to check our website at www.pikespeakcsi.org for ongoing updates to programs and to register.

Switching lanes, we want to make sure you are all aware of the upcoming CDT Prep Course our chapter will be offering starting Thursday, January 31st. Sessions will be held for 10 consecutive weeks on Thursday evenings from 6 to 8 p.m. There is no charge for the course, and it covers the information you will need to know if you are planning to sit for the CDT exam. However, even if you are not planning to sit for the exam, this is very relevant information for anyone in our industry. Please don't hesitate to call or email any board member if you have questions about the CDT exam, or any other certification that CSI offers.

Last item on our agenda this month is new board members. If you are interested in joining the board for the upcoming 2019-2020 season, please chat with one of the existing board members for more information.

Thank you all for your continued membership. We look forward to seeing you at the next meeting.

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CSI Certification Overview

Why take the CDT?

The Construction Documents Technology (CDT) Program provides a comprehensive overview for anyone who writes, interprets, enforces, or manages construction documents. Project architects, contractors, contract administrators, material suppliers, and manufacturers' representatives are all realizing the advantages of being Construction Documents Technologists.

By being able to understand and interpret written construction documents, CDTs perform their jobs more effectively. By understanding the roles and relationships of all participants, CDTs improve communication among all members of the construction team.

Pass the Construction Documents Technologist Exam (CDT), and you'll join an elite group of professionals known in the industry for their comprehensive knowledge of the writing and management of construction documents. Getting your CDT means:

- Adding "CDT" after your name, to your business card and to your resume
- Understanding how a project unfolds from conception to delivery
- Understanding the documentation involved

CSI's CDT program has provided foundation training in construction documentation for architects, contractors, contract administrators, specifiers, and manufacturers' representatives for decades. As the cornerstone of CSI's certification program, it's also prerequisite to CSI's advanced certification exams: Certified Construction Specifier (CCS), Certified Construction Contract Administrator (CCCA), or Certified Construction Product Representative (CCPR) certification.

Your professional success is CSI's top priority! Demonstrate your knowledge, skill and industry commitment with a CSI certification.

CSI certifications are offered during spring and fall testing windows each year.

Spring 2019 CDT Exam	
Registration, Feb 11 – Apr 10	\$375 member/\$625 non-member
Late registration, Apr 11 – Apr 30	\$545 member/\$795 non-member
Student registration	\$165 with valid ID

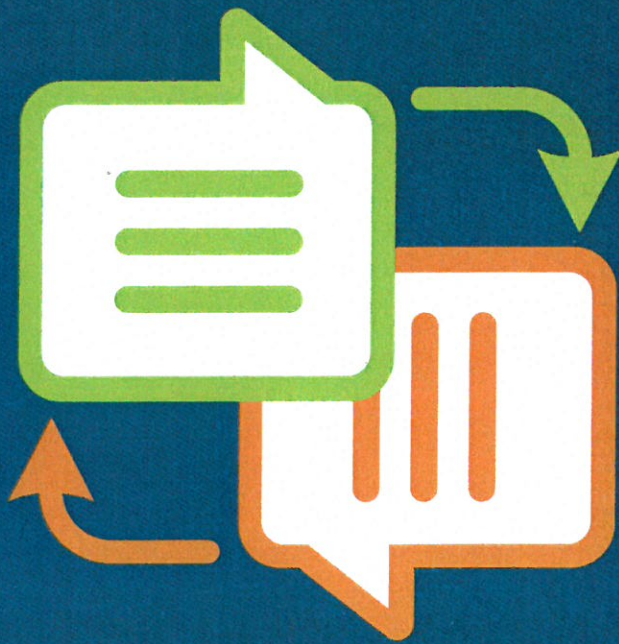
Exam Window: April 15 – May 24, 2019 (CDT only)

Pass/Fail notification: Late June/early July 2019*

The CDT will be offered at testing sites in the United States and Canada for Spring 2019.

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Builders need a good interpreter to understand the complicated language of insurance

BY STEPHANIE BENINATI

trans

MANY YEARS AGO, when I was a new agent, I would often cry myself to sleep. Learning insurance is like learning a foreign language. If you don't understand the language, you and your clients could be in a world of hurt.

This is my chosen profession; I love insurance (I know, I am a crazy person, but I do). Persevering through the learning curve is what we all do when we love something. However, I'm completely empathetic to how most people feel about insurance. For most people, insurance is never going to be something they love. At best, it is something they tolerate. It's an expensive bill every year for a product that they most likely will never use and never really understand.

After a decade in the business, I noticed that I was getting asked the same questions. It occurred to me that most people have the same concerns. I started writing answers to questions that I knew my clients would inevitably have.

My disclaimer is that no insurance policy is one-size-fits-all. Everybody's business, tolerance to risk and comfort level may be different. Another insurance agent may answer these questions in a different

way, but after 10 years insuring the building community, I feel I am a pretty good interpreter when it comes to the language of insurance.

Question: I am a builder and I don't have any employees. Why would I carry workers' compensation?

Answer: There are a lot of reasons why builders who do not have employees should carry workers' compensation.

- 1) Although you may have health insurance, some insurance carriers exclude injuries on the jobsite. Check your personal policy to make sure you have coverage.
- 2) Nowadays, everyone is an "independent contractor." Let's be honest—somebody must be the laborer. If that person gets injured, or worse, it always rolls up the hierarchy of the job. If you are flying "insurance commando," you could be paying a lot of money if you get sued.
- 3) Just because someone gets paid as an independent contractor does not necessarily make them one in the

eyes of the law. Visit colorado.gov/pacific/cdle/independent-contractors to learn who the Colorado Department of Labor and Employment considers an independent contractor.

Question: I am very confused about WRAP/OCIP policies. For example, when and where should I use them? Why can't my general liability cover me for smaller projects when we are building under 10 townhomes? Why are these policies so expensive?

Answer: These are all good questions. Let's break it down. A WRAP policy, also known as an owner-controlled insurance policy, is designed to cover the whole project and everyone working on the project. It usually excludes the professional services for E&O, but many WRAPs will now cover the professional services for bodily injury and property damage to a third-party for an additional premium.

Many general liability policies may cover a builder for a smaller attached project, like rowhomes, but the issue becomes the subcontractors' insurance. Often, those policies have multifamily exclusions or limits on how many projects or attached homes they can work on within a year.

Intention

Most builders don't know what to look for or have the time to comb through each subcontractor's policy looking for these exclusions or endorsements.

The other concern is that some smaller subcontractors are notorious for canceling their policies after a job is finished. This could mean no coverage at the time of an occurrence. Many builders and developers like WRAP policies because it is a one-time payment for a policy that will cover everyone through the statute of repose, hence the big price tag.

The other reason the cost of these policies starts to add up is that carriers frequently require additional risk management products. For example, they often want the builder to use a third-party risk management company to oversee the project. They could require a 10-2 structural warranty, peer reviews and much more. These additional requirements will add to the cost.

Question: One of my projects was recently vandalized. When I put in a claim to my general liability provider, I was surprised to learn that I had no coverage. I was told I needed a builder's risk policy. What is a builder's risk policy, and why doesn't my general liability cover me?

Answer: So many builders think that property damage to "your" property is covered under their general liability. General liability protects against third-party claims for bodily injury, property damage or advertising injury (slander). Builder's risk policies, commonly known as "course of construction" insurance, are for the property during the building period. Builder's risk covers the structure, as well as materials on site, in transit and off site. There are often soft costs included as well. Builder's risk policies are not created equal so make sure you go over the coverage forms with your agent.

Question: I am a small home builder with only four employees. We are so busy building that we often forget to collect certificates. We always seem to be scrambling at audit time to go back and collect the certificates. When I think about my subcontractors and their insurance, or lack thereof, I get very stressed out. How do I know if my subcontractors are giving me the right insurance or are covered cor-

rectly? What if they cancel their coverage after the job is over?

Answer: Handling subcontractors' insurance is probably the most stressful thing a builder must do. You are not just asking for a certificate; you also need to know if there are exclusions on your subs' policies that could come back to bite you. For example, is there a new residential home exclusion? Soil movement exclusion? Multifamily exclusions? Have their limits been diminished due to a previous claim?

Handling subcontractors' insurance is probably the most stressful thing a builder must do.

If it is too hard to collect the certificates on time, it is almost impossible to actually check the insurance and make sure the coverages are there. One way to help minimize your risk is to enlist a great team of insurance agents and attorneys who specialize in the construction industry. Your attorney will write out a subcontractor agreement outlining the insurance requirements. Your insurance agent can educate you on what to look for. You could use a third-party certificate tracking program to assist you. At the end of the day, the responsibility is solely yours.

As for subcontractors canceling their insurance after a job is finished, let's be honest—these are not the professional subcontractors you should be working with. Build a team of well-respected subcontractors, pay them well and on time, and audit their insurance regularly.

Question: I recently had my workers' compensation and general liability audit. I

was shocked at how much I ended up owing. Although I received the paperwork, I didn't fully understand how my provider calculated the additional premium. What would make my premium so far off from what I estimated at the beginning of the year?

Answer: There are many factors that are considered when auditing policies. Insurance carriers look at payroll, gross revenue, sub costs and additional exposures, to name a few.

Another thing that can make your premium increase at audit is not having all your certificates of insurance for your subcontractors. If you cannot present certificates for your subcontractors, the auditor will classify them as uninsured subs. Depending on the type of work they performed, you would be given a rate—the higher the risk, the higher the rate.

As for workers' compensation, Pinnacol Assurance is enforcing their Declaration of Independent Contractor status forms. What that means is that every independent contractor that does not carry workers' compensation has to be pre-approved through Pinnacol. If they are not approved prior, expect to pay an additional premium for that subcontractor. Go to pinnacol.com/file/declaration-independent-contractor-status to learn more.

We all like to play the "Will I be covered for this? Will I be covered for that?" game. At the end of the day, no one will ever be 100% protected. Every policy has something in it that could potentially be a risk. That is why we have to surround ourselves with the most knowledgeable partners, people who are truly invested in our success. We may not be fluent in the language of insurance, but we need to at least have a basic understanding of our coverages and partner with a great insurance interpreter. ☺



Stephanie Beninati is the owner of Strategic Insurance Services. She has been working with the building community since 2008. She has served on the Board of Directors for the Home Builders Association of Metro Denver and the Home Builder Foundation. She currently sits on the Board of Directors for the Construction Resource Group, where she is a founding member since 2008.