



Compliments of the Apartment Association of Tarrant County – Texas

Risky Business

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NAA and AATC past president Tom Day recently toured hurricane ravaged New Orleans. Three months after Katrina, Day was overwhelmed by the lingering silence. No birds, no barking dogs, no car horns. Wal-mart stores that close at 6:00 p.m. and Starbucks that do not open. No airplanes over head, no crowds on Bourbon Street. Empty residential street after empty street. Abandon apartment communities next to abandon retail centers next to abandon restaurant and entertain areas. Thousands upon thousands of rental units with mold infestation growing minute by minute.

According to a recent article in *Money* (October 2005), insured losses from Hurricane Katrina property damage have exceeded \$35 billion. This makes Katrina the most costly disaster in United States history.

Beyond the cussing and discussing of FEMA's and local governments responses, Katrina and Rita have cause many rental housing owners to examine their risk management plans regardless of location.

It is easy as a D/FW rental housing owner with assets 300 miles inland and 560 miles from the Big Easy to dismiss hurricanes as the remotest of possibilities. However, all of us are one fire, one tornado, one flood, or one tenant's negligence away from loosing our properties.

Obviously, reviewing your property and casualty insurance is a necessity, but it is also a good idea to look closely at your liability, life, health, and automobile coverages. As small business owners and investors, if something happens to us, it impacts not only our personal lives, but our tenants, suppliers, mortgage companies, partners, etc.

Reviewing risk-management strategies is tedious, so to help you get started, set aside 12:00 noon – 1:30 p.m. on Wednesday, December 14, at Spring Creek BBQ on Airport

Freeway in Bedford. Plan now to join your fellow rental housing owners for a discussion of insurance related topics and alternatives

Most residential rental property owners view of insurance agents is similar to Bill Murray's character in *Ground Hog Day*! So to help you overcome your insurance-sales-person-avoidance phobia, the December meeting will feature a panel of insurance experts. AATC members Hal Dennis with Frost Insurance and Brent Goodual with Apartment Insurance Solutions along with Jon Brasher from Met Life will answer your questions and give you're their best professional opinion about how to protect your assets.

Our experts will give you their best advice on general insurance basics: deductibles, riders, and appropriate levels of coverage. In addition, panelist will discuss ways for you to reduce your premiums, and minimize your risk exposure.

We all remember the 1995 May Fest hail storm and the March 2000 tornado. Brent, Hal, and Jon will discuss major property risks such as hail storms, wind storms, fires, and water damage. Beyond the destruction these acts of nature cause, mold is often the bigger problem, so they will also talk about mold and how to handle it.

Many of our insurance concerns are based on tenant or their guest behavior or negligence. Our panelist will also talk about tenant related issues including accidental damage or loss by tenants; malicious damage or vandalism caused by tenants or their guests; and deliberate or intentional damage caused by tenants. Even theft by tenants can be an insurance issue.

Increasingly, large apartment owners and management companies are mandating that residents have renter's insurance. Jon, Hal, and Brent will offer their perspective on independent rental owners requiring tenants to carry renter's insurance.

AATC and TAA have worked hard the last three Texas Legislature sessions to address tort reform so that rental housing owners are not held hostage in court by trial-lawyers filing frivolous lawsuits. Even after these legal reforms, property owner liabilities exist for injury to persons, property damage, and other issues. Hal, Jon, and Brent will discuss mitigating liability losses.

On a more personal level, our panel will share their recommendations on life, health, and other individual insurance needs.

So, dust off your insurance policies and make a special trip to the video store and rent *Ground Hog Day*, then get ready for an informative and entertaining pre-holiday IROC meeting.

