



# MainStreetNews

THE MONTHLY JOURNAL of THE NATIONAL TRUST'S NATIONAL MAIN STREET CENTER®

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### **Network Notes**

See how Arvada, Colorado, is promoting a rapid influx of new businesses through joint grand openings. Take a look at the "heavy metal" banners in the Dorchester neighborhood of Boston. Find out how North Park Main Street in San Diego is helping businesses take to the sidewalks with merchandise displays and outdoor cafés. And go upstairs in downtown Port Huron, Michigan, which celebrated the creativity of upper floor tenants during Preservation Week.

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### **Saving Historic Clarksville**

Since the 1980s, downtown Clarksville, Missouri, has made a remarkable resurgence thanks to the efforts of Historic Clarksville, Inc., and Main Street Clarksville. Together, the two groups have reduced the downtown's vacancy rate from 86 percent in 1990 to zero in 2003. Learn the secrets of their success.

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### **Network Membership Updates**

Find out how to update your membership information and post job ads and training opportunities online. Interested in getting multiple copies of *Main Street News*? Complete our online survey and you might win a free year of network membership!

### **Back to Basics**

New to the Main Street Approach? Need to brush up on the basics? Join us in Chicago, November 3-6, 2003, for Main Street Basic Training. See the back page for details.

# COVER ME!

BY BRIAN PHOEBUS  
AND KENNEDY SMITH

MAIN STREET



NATIONAL TRUST  
for HISTORIC PRESERVATION

# COVER ME!

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## WANT SOME NIGHTMARES TONIGHT? HERE ARE A FEW THINGS TO THINK ABOUT BEFORE YOU DRIFT OFF TO SLEEP:

- A group of your program's volunteers offer to clean the façade of a long-vacant three-story building, replace a window, and paint the cornice and window trim. One of the volunteers falls off a ladder and breaks his leg.
- After a solid week of rain, the river floods—and all the buildings along the river are inundated in five feet of water. The building owners had flood insurance—but it doesn't cover their tenants' property, and none of their small business tenants had flood insurance for their business property.
- Your revitalization program has been active for five years, and the district's property owners now support the idea of listing the district in the National Register of Historic Places—after all, it will help them qualify for hefty federal tax credits for any qualified building improvements they make. But almost a dozen of them get calls from their insurance agents saying that, if the district is listed in the National Register, the firms will cancel their insurance.
- Your organization spent \$25,000 to bring in a big-name jazz band to kick off the spring Main Street concert series. You planned to recoup most of this expense by selling tickets at the event. But the day of the concert, there's an unexpected, late-in-the-season blizzard, and the concert is canceled.
- Although your organization's bylaws specifically state that board members must recuse themselves from any board vote that might pose a possible conflict of interest for them, one of your board members votes to award a development contract for a historic building owned by the organization to a company in which she has a partial ownership interest. A competing company sues her, and your organization.
- You organize a summer outdoor film festival on Friday nights and project old movies against the side of a building. You use DVDs from your personal collection, borrowing a powerful LCD projector from the local board of education.



Due perhaps to the rising number of natural disasters in recent years, water damage has surpassed fire damage as the leading cause of property insurance claims.

Someone in the audience the first night happens to be an employee of the company that owns the distribution rights for many classic films. The company sues you for not having purchased the rights to exhibit the film publicly.

Unfortunately, all of these things can happen—along with scores of other scenarios for which an older commercial district's businesses or buildings might not be adequately

insured, or for which the district's revitalization program itself might not have the insurance coverage necessary to protect itself from liability claims or property losses.

For a variety of reasons, insurance coverage for Main Street districts has become more complicated—and more expensive—in recent years. Because of the economic slowdown and the stock market slump, insurance companies have failed to make money on their investments, forcing them to tighten their underwriting guidelines and increase their rates in order to earn an underwriting profit. As a result of these tighter underwriting guidelines, insurance has become more difficult to find—and more expensive to buy.

Other things have made it more difficult to get insurance for Main Street buildings, businesses, and organizations as well. The terrorist attacks of September 11, 2001, for example, have made some insurance companies nervous about insuring buildings in densely developed public places (like downtowns), particularly in

**For a variety of reasons, insurance coverage for Main Street districts has become more complicated—and more expensive—in recent years.**

urban areas. And, for some reason, more losses due to natural disasters—tornadoes, hurricanes, flooding, earthquakes—have been reported in the past few years than a decade ago. Water damage has now surpassed fire damage as the leading cause of property insurance claims.

So, what kind of insurance coverage do Main Street business and building owners need? And, how about the revitalization program itself?

## INSURING MAIN STREET BUSINESSES

A Main Street business—like all businesses—typically needs insurance coverage for its personal property, items such as tables, chairs, desks, and computers. A retailer's business property insurance should cover the inventory as well—so, if the store's inventory is damaged by an accident or natural disaster, or if it's stolen, the retailer's insurance company reimburses the business for the lost merchandise.

Main Street businesses also need general liability insurance, worker's compensation insurance,





and, if the business owns one or more cars or trucks, automobile insurance. Service businesses, such as law offices, usually need professional liability coverage (also known as “Errors and Omissions” coverage). Main Street retailers usually don’t need this coverage, though.

Businesses can also purchase business income and extra expense coverage. This insurance reimburses businesses for lost income and provides protection for many fixed expenses, such as rent and key salaries if their operations are interrupted for some reason beyond their control

## INSURING MAIN STREET PROPERTY OWNERS

Main Street property owners need property coverage (for the building itself) and general liability insurance (to provide

protection from “slip and fall” lawsuits). A property owner also usually needs “loss of rents” coverage, so that he or she is protected if the building is damaged and can’t be occupied or rented until the damage has been repaired (some mortgage companies require that their mortgagees purchase “loss of rents” coverage). With this coverage, a property owner won’t lose any income while the building is being repaired; the insurance company will pay the normal rent.

Main Street property owners often have some special conditions that can make it difficult to obtain adequate insurance coverage. For instance, insurance companies are often skittish about insuring mixed-use buildings—where the ground floor is typically used by a retail business and the upper floor(s) house offices or

apartments—because apartments are usually more prone to suffer a liability or property loss than offices or retail businesses. Main Street building owners can reduce their risk by requiring in their leases that residential tenants carry renters’ insurance. A property owner’s insurance company will then have some recourse through the tenant’s insurance company if a loss is caused by the negligence of a tenant.

Owners of historic Main Street buildings should also consider insuring their buildings for their *replacement cost*—the full amount it would cost to replace a building in the event of a total loss. Many of the materials originally used in the construction of older and historic buildings are now difficult (or impossible) to find and are often more expensive than comparable modern materials.

If a building’s original plaster is damaged, for example, an insurance company might prefer that the damaged area be replaced with modern sheetrock instead of new plaster. Many materials in older Main Street buildings—hardwood floors, stained glass windows, pressed tin ceilings, or transom “prism” glass, for example—are important to the building’s appearance and architectural integrity.

Substituting modern materials could diminish the building’s value and character. It is particularly important to match original materials when a building is *partially* damaged, as new materials that don’t match the old will highlight the damage.

Insuring an older or historic Main Street building for its *full replacement cost* is more expensive than insuring a new building, but it helps fully protect the owner’s investment. And it helps ensure that, even if a building is destroyed, a structure as high in quality as the original can take its place—which benefits the entire district. A useful rule

of thumb for estimating the *full replacement cost* of a building (and therefore the amount for which it should be insured) is to multiply its total square footage by \$200-\$250 per square foot.\* (*\*This is only a guide; cost per square foot can vary greatly according to construction type, architectural features, elaborate detail, and geographic area.*)

Buildings that are vacant or in the process of being renovated also need to be insured against liability (in case someone is injured in the building) and to have adequate coverage for the building’s value, in the event of an accident or disaster that causes a partial or total loss. Coverage for the completed value of a building being renovated—“builders risk” insurance—typically includes coverage for theft of building materials or tools left on the job site, but check with the insurance agent to make sure it’s included in the policy the building owner buys.

Some communities have reported that Main Street property owners have demolished vacant buildings, claiming that they could not find insurance coverage for them. Several national insurance companies, however, routinely provide coverage for vacant buildings; so, don’t settle for this bogus justification for demolishing an older or historic building.

## INSURING REVITALIZATION ORGANIZATIONS

Main Street district revitalization and management programs also need insurance coverage. Unfortunately, many business district revitalization programs—Main Street organizations, Business Improvement Districts (BID), Community Development Corporations (CDC), and similar organizations—appear to be significantly

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## SMALL BUSINESSES: PLANNING FOR DISASTER

Only 25 to 40% of businesses have contingency plans for disasters.

### What causes business disasters:

- 68% are caused by human error;
- 25% by technology (hardware/software) failures;
- 15% by natural disasters; and
- 12% by intentional causes.

### After a disaster:

- 80% of businesses suffering an extended disaster go out of business within 5 years.
- 29% of businesses suffering a major disaster will close within 2 years.
- Without a contingency plan, 43% of businesses suffering a disaster will never re-open.
- Without a contingency plan, 50% suffering a disaster will go out of business within 2 years.

### How computer disruptions affect business:

- Most companies without computers for 10 or more days will never fully recover.
- Businesses suffering 8 days of computer outage lose 2 to 3% of gross sales.
- 55% of organizations have experienced a computer systems disruption for more than an hour; and 11% of large computer users have had disruptions of a day or more.
- Three-quarters reach critical or total loss of functionality within 2 weeks.

# COVER ME!

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under-insured. So, what types of coverage should revitalization organizations have?

First and foremost, a revitalization organization with paid staff should have worker's compensation insurance. By law, *any* company or organization with employees is required to carry this coverage. Worker's compensation insurance provides compensation to employees injured on the job and protects the organization from injury-related lawsuits. In some states, it may also provide protection against some lawsuits claiming that the organization created a hostile work environment for employees or volunteers. Not only is worker's compensation required, but many states charge hefty penalties to companies and organizations that do not carry this insurance coverage.

Revitalization organizations also need Directors' and Officers' liability and Employment Practices Liability Insurance (EPLI). These types of coverage generally protect the organization against claims such as sexual harassment, discriminatory hiring practices, and wrongful firing; but it can also cover claims of trademark

or copyright infringement, claims involving for-profit subsidiary organizations of the revitalization program, and a wide range of other liability claims involving the actions of one or more of the organization's board members, volunteers, or staff.

As should business and property owners, the revitalization program should also carry general liability insurance to protect against general liability claims that might be made against the organization. General liability insurance is sometimes bundled with business personal property insurance, which covers the organization's office space, furniture, equipment, and any other physical assets it owns or leases.

A revitalization organizations may also need a number of specialized types of insurance. These include:

- **Insurance for festivals and special events.** Many things can go wrong during a festival or special event. People can be injured. Bad weather can force cancellation or postponement. A performer might not show up, which can cost the organization significant amounts of money. Expensive equipment can be damaged.

Most insurance companies provide some special events coverage for small events (like dinners and meetings, and sometimes for events like farmers' markets or craft shows) under the organization's general liability insurance policy. But, for larger events that are not covered under the general liability insurance policy, or that cannot be added to the policy by special endorsement, it's better to buy special insurance protection. The cost of this coverage depends on many variables, like the number of events the policy will cover, whether any of the events involve serving alcoholic beverages, how many people are expected to attend each event, and whether any of the events involve unusually risky activities (such as a flagpole-sitting competition, or a magic show involving live animals).

It is usually less expensive to buy an annual blanket policy for your organization's special events than to insure each event individually. For events that serve alcoholic beverages, it often makes sense to buy a blanket policy that excludes liquor, then to buy an additional policy—a "monoline" liquor liability policy—for the events that offer alcohol. This approach can save a revitalization organization thousands of dollars annually on special event insurance.

Keep in mind that performers or vendors hired by your organization for events should have their own insurance coverage. When you negotiate with them, be sure to require that they affirm that they have adequate coverage against any potential claims resulting from their performance, products, or services—and that they give you a copy of their insurance policy declarations page. In addition, always ask or even require that your organization be added as an additional

insured on the vendor's policy. This is the best way to insulate your organization and protect it.



Worker's compensation policies rarely cover volunteers. Additional insurance is necessary to protect your organization in case a volunteer is injured while working for the program.

- **Accidental death and dismemberment coverage.**

This insurance provides protection in the event a volunteer working for your program is killed or seriously injured while doing so. Most worker's compensation policies do not cover volunteers.

- **Insurance for unusual assets.** Some BIDs and Main Street organizations own large amounts of expensive holiday lighting equipment, for example, which is often worth more than the coverage that a typical business personal property insurance policy might provide. A number of BIDs and downtown development authorities own expensive street-cleaning equipment. Talk with your insurance agent to make certain that assets like these are adequately insured.

- **"Hole-in-One" insurance.** Some nonprofit organizations use insurance to raise money by organizing "Hole-in-One" golf competitions. The nonprofit



© Joshua Bloom

Always make sure that entertainers hired to perform at a special event have their own insurance coverage.



## calendar of events

organization sells tickets to a Hole-in-One competition, offering to pay a large cash prize (typically between \$250,000 and \$1 million) to the first person who can hit a hole-in-one during the competition. An insurance company examines the golf course the nonprofit organization will be using and sells the organization a policy that will pay the amount of the

prize if someone hits a hole-in-one. The price of the policy is based on how likely the insurance company calculates that someone can do so—typically, somewhere between \$300-\$500. The nonprofit organization pays for the insurance policy with money from ticket sales. If a participant hits a hole-in-one, the insurance company pays the winner the prize money. Some insurance companies write similar policies for other types of competitions, as well—so, be creative!

### HEALTH INSURANCE

One of the most difficult—and expensive—types of insurance coverage for revitalization organizations and small businesses to obtain is health insurance. Health insurers prefer to insure large groups because the costs involved in paying health care claims can be more accurately predicted in large groups. The larger the group, the greater the chances that the premiums group members pay will adequately cover the health care costs of the group members.

Revitalization organizations and small businesses generally have too few employees to make it cost-effective for an insurance company to provide them with group health insurance; as a result, they often have to obtain individual health insurance policies, which are expensive. Most health insurers that sell individual policies require interested customers to get physical examinations, and they may exclude or charge very high premiums for people with health risks.

A number of Main Street organizations have therefore joined local organizations that offer health insurance to members. Some local chambers of commerce, for example, offer group health insurance to their members, including local small businesses. But these groups may still be small, which means that their premiums are likely to be relatively high—and, when one factors in the cost of joining the organization itself, the total cost is likely to exceed the cost of buying an

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## ANNOUNCING A NEW PARTNERSHIP

After more than a year of investigating insurance programs that might meet the specific needs of business district revitalization and management organizations, the National Trust's Main Street Center and several other Trust departments plan to join forces this fall with Maury, Donnelly and Parr, Inc. (MDP, Inc.) to launch a new insurance program, tentatively called National Trust Insurance Services.

Based in a historic building in downtown Baltimore, Maryland, Maury, Donnelly and Parr has extensive experience insuring historic buildings, small businesses, and nonprofit organizations. MDP, Inc., works with many insurance companies, providing the flexibility to assemble an insurance package tailored to the specific needs of an organization, building owner or

business. In addition to offering insurance for buildings, businesses, special events, and organizations, Maury, Donnelly and Parr also plans to develop a health insurance program for employees of revitalization organizations and Main Street building and business owners.

To qualify for these insurance products, your organization must be an active member of the National Main Street Network. Main Street business and building owners must be National Main Street Network members or members of a local organization which is, in turn, an active member of the Main Street Network.

More information will be available later this fall online at [www.mainstreet.org](http://www.mainstreet.org) and at [www.nationaltrust-insurance.org](http://www.nationaltrust-insurance.org).

**September 18-19, 2003**

Colorado Community Revitalization Association, Annual Conference: Maximizing Momentum on Main Street  
Montrose, Colo., 303-282-0625  
[www.ccronline.org](http://www.ccronline.org)

**September 23-24, 2003**

Main Street Arkansas & Mississippi Main Street Association, Destination Downtown 2003  
Little Rock, Ark., 501-324-9880  
[cary@arkansasheritage.org](mailto:cary@arkansasheritage.org)  
[www.destinationdowntown.org](http://www.destinationdowntown.org)

**September 28-October 1, 2003**

International Downtown Association, 49th Annual Conference  
Cleveland, Ohio, 202-393-6801  
[www.ida-downtown.org](http://www.ida-downtown.org)

**September 30-October 5, 2003**

**NTHP, National Preservation Conference 2003: "New Frontiers in Preservation"**  
Denver, Colo., 202-588-6100 or 800-944-6847  
[www.nthpconference.org/](http://www.nthpconference.org/)

**October 7-10, 2003**

Rebuild America, 2003 Energy Smart Communities Leadership Conference  
Minneapolis, Minn., 252-459-4664

**October 8-10, 2003**

LISC, Urban Forum II  
Philadelphia, Pa., 212-455-9800  
[www.liscnet.org](http://www.liscnet.org)

**October 22-24, 2003**

Florida Redevelopment Association, 2003 Annual Conference  
Tampa, Fla., 800-616-1513  
[www.redevelopment.net](http://www.redevelopment.net)

**October 23-24, 2003**

Project for Public Spaces, How to Turn a Place Around  
New York, N.Y., 212-620-5660  
[www.pps.org/nyc\\_training.htm](http://www.pps.org/nyc_training.htm)

**October 29-30, 2003**

Main Street New Jersey, Downtown Revitalization Institute: Promoting Downtown  
Trenton, N.J., 609-633-9769  
[www.state.nj.us/dca/dhcr/msnj\\_dri.htm](http://www.state.nj.us/dca/dhcr/msnj_dri.htm)

**November 3-6, 2003**

**NMSC, Main Street Basic Training**  
Chicago, Ill., 202-588-6329  
<http://www.mainstreet.org/Conferences/Institute/basictraining.htm>

**November 4-6, 2003**

Florida Main Street, 2003 Annual Conference  
St. Petersburg, Fla., 800-847-7278  
[http://dhr.dos.state.fl.us/bhp/main\\_st/index.cfm](http://dhr.dos.state.fl.us/bhp/main_st/index.cfm)

Calendar entries of state, regional, and national interest may be submitted in writing by the fifth of each month for the following month's newsletter. We reserve the right to edit all entries based on appropriateness and space.



# COVER ME!

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## case study 1:

### SPECIAL EVENT INSURANCE COVERAGE: GOTTA HAVE IT

All year, Main Street programs hold fund-raising activities and promotional events, yet too many operate without liability insurance coverage or wrongly assume their events are covered by their general liability policy. It may sound trite, but accidents do happen: a volunteer could fall off a ladder while hanging a banner, or an event participant could trip during a festival. Whether you hold one event a year or a hundred, your program shouldn't risk not having special event insurance.

"Over the last few years the cost has gone up dramatically and fewer companies are writing it. All commercial insurance has gone up over the last few years and event insurance is not excluded," says Brian Phoebus of the insurance firm Maury, Donnelly and Parr, Inc.. "If something goes wrong and a Main Street organization is without special event coverage, the economic viability of the program will be jeopardized. They could get sued because they are hosting the event and then must defend the suit in court. Where would they get the money for that without insurance? As the host, they are liable. And then, of course, there's the residual bad press, which could further jeopardize the program's viability."

Bedford Main Street, Inc., in Virginia had only a general commercial liability policy from 1985 until last year, when it had to add special event insurance to its coverage.

"We originally were told our events were covered by the City of Bedford but then found out this wasn't the case," recalls Scott Smith, executive director of Bedford Main Street. "If something did happen, the city

would have to deal with liability first but then it would fall on us." The city government informed the Main Street program it would no longer close the streets for Main Street events and risk liability until the organization got its own insurance.

Bedford Main Street was able to insure its biggest event in 2000 for \$500, but after the events of September 11th, 2001, the insurance company would not renew the policy the following year. When shopping

that covers the program's fiscal year for \$2,800, \$1,500 of which pays for the insurance policy, and the remainder covers liquor liability. Because alcohol sales are a good revenue generator, Smith feels comfortable paying extra for the additional coverage, saying that "it takes money to make money."

Maury, Donnelly, and Parr, Inc., offers a blanket policy that can be customized according to certain criteria for special events. The policy is determined by the number of attendees, the type



around for another insurer, Smith received quotes that ranged from \$5,000 to \$10,000 for annual policies.

"We were finding it difficult to get insurance for events within our size bracket," says Smith. "Our largest event attracts about 25,000 people." Determined to get a better rate, Bedford began working with Maury, Donnelly and Parr to find more affordable coverage. As a result, the organization now has a blanket policy with The Hartford insurance company

of events, the controls in place (e.g. policing), the number of events per year, the duration of events, and the availability of liquor. The agency has built some special events, such as farmers' markets, breakfast meetings, and dinner dances, into the general liability policy. For a fee, other events, such as concerts, antique/car shows, fairs, and parades, can be added. For bigger events or those that serve alcohol, a separate policy is advised and is easy to obtain.

Smith and representatives from other Main Street programs say they do not have event cancellation or weather insurance. Many people have found this extra policy to be very expensive, sometimes costing as much as half of the coverage the program is seeking for the event. In his research, Smith learned that even large event planners do not carry this insurance for their entire events—they often will insure select aspects of an event, such as a nationally recognized headlining band. Bedford Main Street, Inc., however, has found another way of "insuring" its events in case of cancellation: corporate sponsorships, which help cover costs even if it rains.

Phoebus notes that event cancellation insurance "is expensive if you are seeking to insure for the lost revenue of the event." This insurance, he says, "generally costs 12 to 15 percent of the projected revenue. Insuring against lost expenses is a more reasonable option; the cost drops to about 10 percent."

"I have found that Main Street programs and other non-profits in our area believe that their general liability policy for \$500,000 or \$1 million covers their events, but it actually only covers their office. Sometimes they don't realize they need the extra event coverage," says Smith. "In other cases, I have heard that people are afraid to tell the insurance company about the extra events they have because they don't want the rates to go up. But then if something happens, they are not covered, or if the insurance company feels it was misled, it will have recourse to refuse coverage."

BY ANDREA L. DONO



## case study 2:

### DENIED: HISTORIC PROPERTY INSURANCE

As property owners across the country try to renew their insurance policies for historic structures, many are being denied coverage even if they have had the same policy for 20 years without any claims. Finding an insurer that will underwrite a policy for older buildings, historic properties, or mixed-use buildings has become more difficult and more expensive. Some people are likening this growing trend to “redlining,” a practice that gained notoriety in the banking industry 50 years ago when entire neighborhoods were refused financing.

“Redlining a historic district by an insurance company is not illegal, as long as the insurance company’s sole motivation for not extending coverage is the high risk of underwriting policies in that area,” says the National Trust’s Deputy General Counsel Tom Mayes. “If the insurance company is using this historic designation as a mask for discriminatory practices that affect a protected class, however, there could be a cause of action under the Fair Housing Act.”

Insurance companies may have the right to refuse insuring historic buildings, but it is placing a huge burden on property owners everywhere. “Some people I have talked to are paying more for insurance than they are for their mortgages since their policy has increased by 250 percent,” says Timothy Bishop, executive director of the Downtown Walla Walla Foundation in Washington State. “I advise people to try to negotiate with their insurance companies, especially if they are trying to renew a policy as others have had success with that. Otherwise, they need to find an alternative provider.

We can send them to another company but they will end up paying four times the rate they currently have.”

Brian Phoebus, of Maury, Donnelly and Parr, Inc., points out that policy prices have increased across the board. Insurance companies, he says, have resorted to making money off their policies because investing in the stock market doesn’t yield high enough returns anymore.

“Every company has become more conservative and they are only underwriting their most profitable business, which often doesn’t include historic prop-



ties,” says Phoebus. “If people are getting dropped by their insurance company, it is an indication that they are dealing with one that doesn’t have the expertise or isn’t comfortable handling those claims. Many companies prefer to settle claims with a trip to Home Depot. But with historic properties, you can’t easily replace materials like crown moldings or wainscoting, and the costs for specialized labor to do the repairs are more expensive.”

From an insurance point of view, an older building is a risk, but a historic property is even more so. Just look at Littleton, Colorado. When the

town decided to pursue listing in the National Register of Historic Places for the entire district, many property owners and local agents learned that their insurance company would not insure historic buildings if Littleton achieved that status. Phoebus says his firm has received several calls from people across the country who were told they were dropped because their buildings were listed in the National Register. He is not sure, however, whether this is technically redlining as companies have the right to develop their own guidelines.

“Our industry is so highly regulated at the state level and the penalties are so great that most companies would not risk redlining,” says Phoebus. “It is instead an insurance company’s clear desire to avoid insuring older build-

ings due to their inexperience in settling losses on older structures; the cost involved at the time of a claim; and the inability to evaluate, appraise, or inspect a risk, thus not insuring the property to its replacement cost.”

Di Boyer, the Main Street manager of Vision Versailles 2000+ in Kentucky, encountered this problem when new owners bought a 100-year-old building in town. They had no success finding an insurer and turned to Main Street for help. The staff located an insurer and subsequently compiled a list of Main Street-friendly insurance agencies for other owners to use.

When seeking a new insurer, property owners should research companies with experience in handling historic buildings. Phoebus advises that if a building is more than 30 years old, the owner should provide evidence that the property is being properly maintained and upgraded—for example, that the heating and electrical systems have been updated—in order to prove that the building is in good condition.

Also, Phoebus says owners should make certain their insurance has the right amount for replacement—generally, a minimum of \$200-\$250 per square foot for a historic building. Furthermore, he suggests that owners of mixed-use buildings require tenants to carry renter’s insurance. His firm also automatically includes in its policy quotes “ordinance and law” coverage, which pays for the increased cost above the cost of a claim to bring the structure up to code.

Walla Walla’s Timothy Bishop, however, has been hearing more cases of tenants being denied renter’s insurance for second-floor dwellings. He points out there will be significant challenges ahead if access to insurance continues to become increasingly difficult and premiums continue to skyrocket. Bishop says he has called several companies to find out if they have policies against insuring historic properties and often couldn’t get an answer. “We need to get this policy documented and confirm it is in place; otherwise we won’t be able to mount a successful campaign to challenge it,” says Bishop.

BY ANDREA L. DONO,  
WITH RESEARCH BY  
LANE EWING

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individual health insurance policy. The best option is to find a large organization that offers group health insurance and will accept the local revitalization organization as a member.

## WHERE TO GET STARTED?

First, do an inventory of the insurance coverage your organization has right now.

- ☐ Worker's compensation
- ☐ Directors' and officers' liability
- ☐ General liability
- ☐ Business personal property
- ☐ Special events
- ☐ "Monoline" coverage for serving alcohol at events
- ☐ Health
- ☐ Accidental death and dismemberment
- ☐ Coverage for unusual physical assets

Then, talk with an insurance agent about filling any gaps in your coverage, and be sure to include an adequate amount in your organization's budget for the coming year. Although there's no way to estimate the exact cost, basic insurance coverage—worker's compensation,

general liability, business personal property, and directors/officers' liability—typically costs around \$2,000 (in 2003). Coverage for special events, unusual physical assets, and other characteristics specific to your program, will cost an additional amount.

Next, share this article with your district's business and property owners, and help them determine whether they have adequate coverage. Check your city's policy on liability for accidents that may occur on public sidewalks. Also in many communities, property or business owners are responsible for keeping their sidewalks clear from snow and debris, so they might need liability coverage in the event someone trips and falls in front of their businesses or buildings. By the way, it could be helpful for your organization to have a list of the insurance companies with which each of your buildings and businesses is insured; if there is a disaster (like a flood), the revitalization organization can be very helpful in contacting insurance companies and providing documentation about the disaster.

Finally, look into the new insurance program the National Trust is offering in partnership with Maury, Donnelly and Parr, Inc. The program—tentatively called National Trust Insurance Services—will provide insurance coverage specifically tailored for the needs of National Main Street Network member organizations (including business and building owners who are members of their organizations), historic hotels, and historic houses.

*Brian Phoebus is an account executive with the insurance firm of Maury, Donnelly and Parr, Inc., and program manager for the upcoming National Trust Insurance Services. Kennedy Smith is the director of the National Trust's Main Street Center. The authors would also like to thank Miriam Lenett, director of Business Development for the National Trust, for contributing to this article*

## JOB ANNOUNCEMENT

### Executive Director

Adams Morgan Main Street Group, Inc., seeks applications for the position of executive director who will be responsible for coordinating commercial revitalization activities through the Main Street program. Applicants should have education and/or experience in at least three or four of these areas: architecture or design, historic preservation, finance, public relations, urban planning, business or public administration, retailing,

nonprofit administration, and/or small business development. The executive director must be sensitive to design and historic preservation issues as well as issues confronting business owners and managers, property owners, minority and small business employees, public agencies, and community organizations. Candidates should be entrepreneurial, energetic, imaginative, well organized and capable of functioning effectively in an independent situation. Excellent

verbal and written skills and motivational ability are essential, and Spanish language is highly desirable. The salary range is \$45,000-\$55,000, depending on experience.

**Submit resume, letter of interest and three references on or before Sept. 9, 2003 to Steve Greenleigh, Adams Morgan Main Street, Inc., P.O. Box 21564, Washington, D.C. 20009**

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The National Trust for Historic Preservation is the only national, private organization chartered by Congress to encourage public participation in the preservation of sites, buildings, and objects significant in American history. The National Main Street Center®, a program of the National Trust, provides technical assistance in downtown and neighborhood commercial district revitalization to communities throughout the nation.