

Tarina Rose

From: Tom Johnston <tom@vernehart.com>
Sent: Thursday, September 17, 2020 9:09 AM
To: City Council President; City Council At Large 3; City Council At Large 2; City Council At Large 1; City Council Ward 1; City Council Ward 2; City Council Ward 3; City Council Ward 4; City Council Ward 5; City Council Ward 6
Cc: Tarina Rose; Linda Strzelecki; Lois Fisher; Tonya Rice; Jacob Johnston; Tom Johnston; Scott Schertzer
Subject: Former Harding Hotel

Categories: @@FINANCE

Dear Council members. Let me start by saying thank you for your willingness to serve the public. Just a short stint on a school board gave me a great appreciation for the challenges of public service. Unless you have done it, I wonder if you can fully appreciate the commitment it takes. So, thank you again.

I am reaching out today to the council collectively primarily to inform you on the delamination of the brick on the former Harding Hotel and how it relates to insurance. I know this is an issue that is before you or may come before you at some point.

Like they have on all their policies that we provide, Lois and her associates, have purchased an “open perils” commercial property policy. As additional insureds on the policy, it is likely that the city of Marion, via Regional Planning, is provided a copy of that policy each year.. This would be the broadest form of coverage available on the building and although I have not seen your policies, would be similar, to what I assume, the city has purchased on city owned buildings. In fact, I would say that most all buildings in our area are insured with that form, unless they have a lesser form of coverage. Broad or basic forms would be lessor.

The company, with which StarFish LLC is insured, has ordered an engineer’s report to try and determine the cause of loss. To this point, contractors and engineers have not been able to establish a covered cause of loss. There must be a covered cause of loss to the building to trigger coverage. A comparison might be the shingles on your roof at home. If over the course of time the shingles get old and just start falling off, it would not be covered under your home policy. If there was a direct physical loss to the roof, like wind, lightning, hail, etc., then the roof would be covered. However, wear and tear over time, workmanship, and maintenance are items that would be excluded under this policy, your home policy, and I am certain the policies that you have purchased on behalf of the city. Please feel free to give my information to your current agent. I would be happy to share all the information about this claim with her/him, if this would assist you in understanding that Starfish could not have done anything different from an insurance perspective.

So in summary, Starfish has proper coverage on this building. While I am not aware of the city having any interest in other buildings she owns, she won’t mind me sharing that she has the same type coverage on all of the buildings we insure for her. To this point, working with contractors and engineers, we have not found a covered peril that has caused the damage to this building. A hidden wear and tear seems likely. The insurer has contracted a Columbus based Engineering Firm to make a final determination if possible.

I thank you, and encourage you to continue to support those that are working so hard to improve our downtown. Certainly Covid-19 has set us back a bit but I believe, and share with as many as I can as often as I can, that downtown Marion has reached that tipping point.

Best regards

Tom Johnston

