

By Rick Weinberg

# Carrying The Torch

*Michael Berg was handed the reins of his father's business — and it continues to flourish.*

**T**he country was changing – *dramatically*. The economy was flourishing, CNN was transforming television, and millions of baby boomers and retirees were embracing a new style of carefree living – condominiums.

Jim Berg saw this unprecedented rise of condo living and ownership unfolding right before his eyes in the 1980s as he looked across the California horizon from his Orange County insurance practice.

Simultaneously, legislators in Washington D.C.

were altering the homeownership landscape, amending rules to allow condo financing. This is precisely when the concept of "owning an apartment" went mainstream.

Florida was the first to warmly embrace this new way of life, and it spread so rapidly that condo living became ubiquitous in the U.S. Berg decided to transform his business and in the process he became a pioneer in the specialization of insuring community developments by working with property management companies, community managers and Board of Directors.

He established iron-clad relationships and set a bar of service excellence so high that it catapulted his Farmers Insurance agency into one of the most respected in the sector.

Today, Berg's son, Michael, holds the reins of the business, which continues to flourish in the specialized area of community developments, ranking among the top echelon of companies focusing in this space.

Michael learned the business of insurance from his father and he quickly points out, "Most people classify insurance people as sales people. But we are not in 'sales.' *We are educators.*" "I'm a terrible salesman," he says, partly serious, partly tongue-in-cheek. "No really. I don't consider myself a salesman at all. I can't sell anything – but I can help you understand everything you need to know about insurance for a community association."

**B**erg had no intention of following in his father's footsteps. He planned to become a geologist. He attended UC Santa Cruz and earned a degree in Earth Sciences. He spent the first portion of his professional career in the field, investigating soil conditions for construction projects and mapping landslides.

He soon realized that if he was going to provide for his future family as his father did, he would need to go back to school. Yet, his heart was just not there. So he took some time off to reflect – and that's when his father approached him about joining the company and being groomed to take it over in the future.

He gave it a shot and quickly discovered he was ideal for the role – well, except for the 'selling' part.

When Berg meets with property managers and community association leaders, the education begins.

"We're not a necessary evil," he says, referring to insurance sales people. "We're a necessity. We exist to help people. In this industry, that's community managers and community members.

"The most important question for a community manager or an HOA Board of Directors is, 'Why do you buy insurance for your community?'"

"They usually respond, 'Because we have to.' And the strength of our team is helping these advisors and decision-makers understand that 'why.' Helping them realize that a fair exchange is a small amount of premium for what often amounts to millions of dollars of covered repair costs in the event of a disaster."

There are endless examples of community developments suffering horrific perils such as fire, busted pipes, and damage caused by fierce storms, to name a few. That's why Berg likes painting this picture: "If your association incurs damages, the damaged property has to be repaired. Absent of insurance, it needs to be fixed. If the cost of repairs is \$10 million, do you have \$10 million in the bank to fix it?" he asks. "If I said I could give you \$10 million tomorrow if you gave me \$10,000 today, is that doable? If something happens – a fire or busted pipe or a fierce wind storm – we'll give you \$10 million to fix the property that was damaged. That's what insurance is all about."

It's all about financial protection and peace of mind. He nods and says, "It makes total sense because you don't have \$10 million in the bank. But if you 'invest' \$10,000 each year and you need \$10 million next year, it's there."

**B**erg's success is no surprise to those who know him.

"Michael Berg is a master at his profession," says Joe Farinelli, President of Walter's Management in San Diego. "Most of the time, insurance goes unnoticed -- *until* you have a claim. And when you're in that position, Michael Berg is the guy you want on your side.

"I'd trust Michael with anything – and I can't say that with every vendor we work with. He understands every side of our industry. We are the heartbeat of the community associations we manage and Michael understands our side as a

business owner and he understands the side of the board and the homeowners, as well as the insurance and liability side.

“His goal is to always get the best value for the association. Some agents are more concerned about protecting their own bottom line or the parent company’s. Not Michael. He’s an absolute straight shooter only looking to provide the best service at the fairest price.”

Several years ago, the Orange Tree Condo Association in Irvine, California suffered a fire that destroyed nearly an entire wing of the three-building association.

“It was a very traumatic experience, but Michael was there for us every step of the way, from beginning to end, even though he did not have to be,” says Kay Dennis, President of the HOA.

“That was incredibly impressive to us.

“He calmly talked to the residents and put everyone’s mind at ease. He was more proactive than we ever could have asked for or expected. He was the liaison for us with everyone involved from builders and contractors to the city and insurance. He went well beyond what the average agent would do. He is just a wonderful person who really cares.”

Ironically, when Dennis’ board had opted to go with a “replacement” policy instead of a fire-only policy, residents were upset with the board members. They felt the coverage was excessive and expensive.

Yet, after the fire, they were ecstatic to know that the damaged units would be replaced.

“And it was all because of Michael,” Dennis says.

Recently, a small Southern California community development came to Brian Murphy of Total Property Management in Irvine requiring immediate insurance help.

His first thought was “Michael Berg.”

“The development had been neglected by its previous insurance company,” Murphy says. “Even though they’re small, Michael took them on and treated them as if they were a big client. That

says a lot about him. He treats clients the same, regardless of how big or small they are.”

Berg handles a number of Total Property Management’s accounts, clearly illustrating the faith, confidence and trust it has in his services.

“He’s among the best we’ve dealt with in my 22 years here,” Murphy says. “He’s quick and very responsive. You never have to chase him down. If you need something, it’s there -- immediately. He’s incredibly easy to work with.”

When Total Property Management’s managers return from meetings that Berg attends, several have told Murphy numerous times that is the best and most professional they have encountered.

“They always have great things to say about Michael,” Murphy says. “They really appreciate the way he handles and discusses issues. He educates them.”

Just like his father taught him to do.

“The true personality of an individual comes out in social environments,” says Farinelli, who has been with Berg at several social events, including golf tournaments. “Some people are different when they have a suit and tie on and are in their business environment. Not Michael. He is a ‘steady eddy.’ He is not only a great businessman, but he is also the most personable, kind and generous person you can meet.”

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