



RISK

Better Safe Than Liable

Courtney Ferretti, Senior Account Manager at Mackoul Risk Solutions



basics were in place, the heat could be adjusted. Subsequently, the whole building was divided into four zones, so steam could be sent where it was needed. The total cost for this solution was about \$150,000, significantly less than the original bids. Meanwhile, building staff continued to weatherstrip original windows and install air-conditioner covers throughout the cooperative.

One of the takeaways is that nobody does this kind of project alone. Two board presidents, back to back, were involved and stayed involved with this program. And you need a great super and building staff to follow through with diligence. ■

If a co-op or condo doesn't have any employees, there's no reason to have workers' compensation insurance, is there?

There *is* a reason they should have a workers' compensation policy. An "if any" workers' compensation policy would provide coverage if the contractor hired by the association does not have workers' compensation coverage and their employee is injured at the building or if a volunteer/board member is injured during the course of their duties. Example: A volunteer could be injured while moving trash bins, or slip on ice while doing work at the building.

Would the board or the building be liable? In the event that an uninsured contractor is injured at the building, the association

may be required to step in as the employer as it relates to benefits owed to that injured employee. In the event that a volunteer or board member is injured during the course of their duties, the association would treat this as a work-related injury, therefore requiring it to provide coverage.

So what's the solution?

The solution is to purchase a workers' compensation "if any" policy.

Is it expensive? No, the annual premium is \$800 to \$1,100.

If the injured "employee" files a workers' compensation claim against the association, will the workers' comp policy cover the cost of litigation and lawyers' fees? The policy will provide defense costs and the cost of the

settlement if it is a covered claim. Here are a few examples of claims that were paid out by our "if any" workers' compensation carrier. There was a payout of \$21,000 for an uninsured subcontractor who hurt his back while carrying drywall. There was a total payout of \$10,000 for a volunteer who slipped on ice while doing work for the building. Another \$11,000 was paid out for a board member who was pushing a dumpster and ended up hurting his back. All of these claims were covered by the "if any" workers' compensation policy.

We stress the importance of this type of policy to all our co-ops and condos that do not have employees on payroll. We try to protect our insureds as much as possible. ■

RISK

Never Rely on Someone Else's Insurance

Barbara Strauss, Executive Vice President of York International

Water damage is the top insurance claim that we see in residential buildings – probably 75 to 80 percent of all claims are because of this. Could be water from above, water from below, water from the pipes, water from an air-conditioning system, water from a faucet or toilet – wherever it comes from, it is quite likely that you or one of your neighbors will experience some type of water damage at some time. Whatever is damaged has to be repaired, and the big questions are: Who is responsible for the repairs, and who has to pay for them? Based on my experience with claim history, it's prudent and important for shareholders to protect their own property. You'll want to buy insurance coverage not only for your personal property but also for any improvements you, or the previous owners, made to the unit. For co-ops in particular, most proprietary leases say the corporation is responsible for fixing real property that hasn't been altered. So if you have original floors, original cabinets, and original walls, the co-op will most likely have to pay for the repairs. There are definitely some restrictions. Generally, most apartments have been altered at some point, and these improvements are the responsibility of the shareholders. Never rely on someone else's insurance ■

