



Insurance Nightmares: EXPOSED!

August 18, 2019 segment with Lisa Coppola Esquire, The Coppola Firm and The English Gardner

Segment Topic of Discussion:

What is the importance of general liability (GL) and how can it protect business owners?

GL is coverage that can protect you from a variety of claims including bodily injury, property damage, personal injury and others that can arise from your **business** operations. One of the topics discussed was specific to slip and falls. If liability limits are not sufficient the owner can be sued and could result in the business suffering a financial setback plus put the owners under emotional duress.

Claims that occurred are a slip and fall of a tenant on a patch of ice resulting in \$500,000 lawsuit and surgeries: customer slipping on floor causing serious broken bones, rehab and a lawsuit over \$600,000: a parent slipped on uneven cement and a settlement of \$100,000. Review your liability limits to be sure they are appropriate, ask for rates for higher limits and compare. You maybe be surprised on how little it costs for piece of mind. You can further protect yourself with an Umbrella Policy.

Umbrella Policy

An umbrella liability policy, which goes above the general liability coverage, provides a much higher limit (starts at 1 million) and goes above and beyond claims directly relating to business policy . The main purpose of your **umbrella policy** is to protect your assets from an unforeseen event, such as a tragic accident in which you are held responsible for damages or bodily injuries

Labor Law 240:

New York has a law called Labor Law section 240 that provides absolute liability where an individual is injured during construction - which is broadly defined - if he falls from a height or is injured by something that falls on him. NYS is one of the last states to continue this law and is costly to the business owner because the absolute liability nature of the law means the injured person doesn't have to prove fault, and his carelessness, if any, isn't counted against him to reduce his damages. There are

companies that insure contractors who do not provide coverage for 240 due to the high costs of claims, difficulty in underwriting and the lack of control of subcontractor employees.

The business owner should ask the contractor to add them as an "additional insured" on its general liability insurance policy for the duration of the work being done at the business, and the coverage should be done a primary and non-contributory basis, which should result in the contractor's GL insurance providing a defense and indemnification to the property owner in the event of an injury and subsequent lawsuit. However, if the company excludes coverage for 240 the business owner will be held liable and if a claim occurs it will be placed against the business owners policy. The business owner's policy would then sue the contractor which will turn into a lengthy and costly claim. This is a serious statute and deserves serious consideration so it is important to be aware of what is in your contract.

If you have questions about your contract, contact Lisa Coppola at 716.839.9700. If you would like to know what companies do not provide coverage for 240 or have additional questions on any insurance questions please reach out to MarciaBrogan.com or 716.684.6000

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