

INSURANCE INSIGHTS

By Ken Furst and Jason Schiciano, Levitt-Furst Associates



Understanding the Big Insurance Picture What a Purchaser of Business Insurance Can Learn From a Recent Experience of Ours

YONKERS—I (Jason) was meeting friends at a popular Westchester County restaurant recently. It was a few days after that snowstorm—you know, the one that dumped 22 inches of snow on the county, or was it the one that dumped only 17? I forget, but it's beside the point!

Anyway, as you all recall, the snow fell at an intense pace. It was eventually plowed into huge mounds. Then, it melted some during a brief warming period, and, with the return of freezing temperatures, the final result was a restaurant parking lot surface that was more like an ice rink than pavement.

As I carefully moved my car into a parking space, I spotted my two friends, each walking arm-in-arm with an elderly person. I exited my car, and approached my friends, cautiously, because I had forgotten my ice skates that day, and bewildered because I didn't recall them mentioning that they were bringing a grandparent to our social hour.

It turned out that the more would not be the merrier, because the unidentified couple was not headed into the restaurant, but rather was being escorted arm-and-arm by my friends, from the front porch of the restaurant, across the icy divide, to their vehicle.

When the elderly couple had been safely delivered to their car, my friends and I had shuffled back across the rink—I mean the lot—to the warmth and security of the restaurant's

fireside bar stools. When the bartender approached—being an insurance broker first and a bar patron second—I mentioned that their parking lot was icy, slippery, and very dangerous. I added that the situation was especially dangerous for their less flexible and/or more fragile customers.

To my surprise, the bartender, who also gave the impression he was the restaurant's manager, offered a sarcastically dismissive, if not defiant response: "If you can find me some calcium chloride, I'd be glad to throw it down. My snowplow guy can't get it anywhere!" I almost fell off my stool.

I then responded: "The gas station (nearby) has a pallet of rock salt bags. It's not calcium chloride (I said that, drawing on my 10th grade chemistry knowledge that salt, was in fact, not calcium chloride), but it will melt ice (again, that 10th grade chemistry being applied), and certainly it would improve the current dangerous condition."

His reply: "I need about 12, 50-pound bags of calcium chloride. The gas station's selling 20-pound bags of salt. And, do you know what they're charging for those bags?" I actually did know (having just bought four of them)—\$4.99 each, plus tax. I began forming my risk-reduction, cost-benefit argument, but, instead, I yielded to the temptation of the tap in front of me, and the knowledge that my insurance words would fall on deaf ears.

So, what is the point? There are two points, actually.

Point One: Business owners (building owners, contractors/builders, etc.) should have an understanding of how claims (slip-and-fall, employee injury, commercial auto, construction defect, etc.) can have a severe negative effect on insurance premiums for years to come. Insurance underwriters typically review five years of claim history. Claim frequency, and/or one or

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more major insurance payouts (or claim reserves) can drive-up insurance premiums for up to five years. Your insurance broker can provide more details on how insurance claims can negatively affect premiums.

Key Matters

Knowing this, business own-

ers should take the time (perhaps annually) to make sure that all employees, and especially new-hires, understand:

The various types of insurance claims that can occur, relating to the business operation (including injuries to employees, injuries to third-parties [clients, visitors, etc.], harassment/assault, damage to property [owned buildings, stock, etc.], faulty workmanship, commercial auto accidents, etc. Your insurance broker can help identify potential insurance exposures.

What can cause insurance claims relating to the business (wet floors, icy parking lots, trip hazards, inappropriate workplace behavior, clogged downspouts, snow on roofs, workplace distractions, failure to use safety equipment, distracted driving, etc.), and how to prevent them.

The costly impact insurance claims can have on a business, and its financial condition (i.e., insurance claims result in costs related to deductibles, increased premiums, business interruption, etc.).

Point Two: Business owners should empower their employees to do what's reasonably necessary to avoid insurance

claims, considering that expenses to mitigate claims may be money well-spent (compared to the far more costly results of a single claim). There are numerous examples of how this point could be applied, but, relating to my trip to the restaurant, hey, Mr. Restaurant Owner, tell your Bartender/Manager that, if the parking lot is icy, he's expected to (have someone) get something to melt the ice, even if that means going to the gas station and paying \$4.99 each for 30, 20-pound bags of rock salt when your snowplow guy has run-out of calcium chloride.

Simply put, it is important to "understand the big insurance picture." One slip-and-fall/broken hip insurance claim from grandpa (think pain-and-suffering, loss of consortium, lost part-time job wages, medical expenses, etc.), along with the costly insurance-related results, and that overpriced bag of rock salt will seem like a real bargain!

Editor's Note: Levitt-Furst Associates is the Insurance Manager for The Builders Institute (BI)/Building and Realty Institute (BRI) of Westchester and The Mid-Hudson Region. Levitt-Furst Associates is based in Yonkers.

BI-BRI Elects Its Slate of Officers for 2014

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Co-op and Condo Group Appoints Its Officers

Diana Virrill of The Hastings House Tenants Corporation was elected Chair of The Co-operative and Condominium Advisory Council (CCAC). Virrill has held that position since 2004. She has been a member of the Board of Directors of the CCAC since 1987.

The CCAC represents more than 400 cooperatives and condominiums. Those buildings are composed of more than 25,000 shareholders and unit owners. Jane Curtis was re-elected Co Vice – Chair of the association. Curtis has served the organization in that role since 2003. Virrill and Curtis have served on a series of CCAC and BRI Sub-Committees. The CCAC also re-elected Angelo Ponzi as a Co-Chair.

Milio Named Chair of Apartment Owners Group

Carmelo Milio, a principal of Milio Realty Corporation of

Yonkers, was elected Chair of The Apartment Owners Advisory Council (AOAC). Milio is entering his third term in that position.

Alana Ciuffetelli and Jerry Houlihan were elected Co Vice-Chairs of the association. Ciuffetelli and Houlihan have held those roles since 2012. Houlihan is a former Chair of the AOAC. The AOAC is composed of more than 300 Owners and Managers who are responsible for the operations of more than 18,000 rental units.

Property Managers Elect Their Officers

The Advisory Council of Managing Agents (ACMA) re-elected David Amster of Prime Locations of Yonkers as its Chair. Amster has served in that position for eight years. A realty industry veteran, Amster has participated in several BRI Sub-Committees. He has served as Chair of the BRI's Negotiating Committee during the association's Labor Contract Negotiations with Local 32-BJ Service Employees In-

ternational Union (SEIU).

The council also announced the re-elections of John Bonito and Jeff Stillman as its Co Vice-Chairs. Bonito and Stillman are both former Chairs of ACMA. ACMA is composed of property managers who are responsible for co-ops, condos and rental apartment buildings and complexes.

Homebuilders Select Their Officers

Doug Esposito, a principal of Esposito Builders of Peekskill, was elected Chair of The Home Builders Advisory Council (HBAC). Esposito will be serving his fourth consecutive term.

The HBAC also elected building and realty industry veterans Bill Balter and Bob Bossi as Co Vice-Chairs, positions they have held during the past two years. Bossi is a former Chairman of HBAC.

Messer to Lead Remodelers

Eric Messer, the principal of Sunrise Building and Remodeling of Briarcliff Manor, was re-

elected Chair of The Remodelers Advisory Council (RAC).

A longtime member of the BRI, Messer will be serving his eighth term in 2014. He has been a member of the BI-BRI since 1987 and has served on several Sub-Committees of the association. Messer has been a member of the BI-BRI Board of Trustees since 2002.

BI-BRI officials also announced that Joe Pizzimenti and Sandy Levine have been re-elected to their respective positions as Co Vice Chairs of RAC, roles each has held since 2012.

Commercial Builders Appoint Their Officers

The Commercial Builders Advisory Council (CBAC) has re-elected Lee Lasberg as its Chair. Lasberg is a principal of Lasberg Construction Associates of Armonk.

A veteran of the local building and realty industry, Lasberg has served the CBAC as its chair since 2012.

Brett LaRocque, a longtime

member of the BI-BRI, was elected Vice Chair of the CBAC. LaRocque has served in that position during the past two years.

BI-BRI Officers

BI-BRI officials also announced the association's slate of officers for 2014:

- Michael Beldotti, Chairman/Immediate Past President;
- David Amster, Doug Esposito, Lee Lasberg, Eric Messer, Carmelo Milio, Diana Virrill, Vice Presidents;
- Susan Fasnacht, Treasurer;
- Joe Pizzimenti, Secretary.

The BI-BRI is a building, realty and construction industry membership organization. The association has more than 1,500 members in 14 counties of New York State. Those members are involved in virtually every sector of the building, realty and construction industry.

Formed in 1946, the BI-BRI is based in Armonk. The association is recognized as one of the leading business organizations in New York State.

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