

# Do You Hire Contractors? This New Insurance Certificate Could Be “Your New Best Friend”

## INSURANCE INSIGHTS

By Ken Furst and Jason Schiciano, Levitt-Furst Associates



YONKERS—The insurance industry has issued a newly designed insurance certificate to help protect you and your company from contractors/sub-contractors with inadequate insurance coverages.

We have written many articles in this publication that

- you as “Additional Insured”;
- You’ve obtained a valid insurance certificate, showing the contractor has proper insurance policies in-effect, and that the limits of insurance are adequate.
- You’ve even gone online: (<http://www.wcb.ny.gov/>

agreement. Many contractors have resorted to purchasing cheap liability insurance that does not provide complete protection to the entity hiring them! The new “Acord Certificate 855” asks simple but important questions, which must be answered by your

contractor’s insurance broker, and which can help determine if the contractor you’ve hired has quality insurance, or insurance that’s filled with exclusions that will leave you unprotected.

You should require the completed Acord 855 from all contractors bidding your jobs. The 855 could help explain why one contractor’s bid is half the cost of another. More importantly, it could protect you from the costly mistake of hiring a contractor whose insurance may fail to cover you as the Additional Insured.

Be sure to attend the Feb. 12 General Membership Meeting

of the BI-BRI to learn more (the details are below). You can contact your insurance broker, or Levitt-Furst, at (914) 376-2500, for additional information.

**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. The company is based in Yonkers. The Feb. 12 General Membership Meeting of the BI-BRI that is mentioned in the above report is scheduled to begin at 6:30 p.m. It will be at The Crowne Plaza Hotel in White Plains.**

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warned of the importance of transferring risk, so that your insurance is not affected, and your assets are protected, when a claim caused by your contractor occurs. Now, there is an insurance certificate to help accomplish this. It is featured as part of this report.

The advent of this new insurance certificate, which helps identify the quality of a contractor’s insurance, is so important to the building, realty and construction industry that the Feb. 12 General Membership Meeting of The Builders Institute (BI)/Building and Realty Institute (BRI) will focus on the use and benefits of the new certificate.

You may think that you’ve completed all of the important tasks to protect you and your company from contractor risk:

- You’ve obtained a written agreement for the work;
- The agreement includes a hold-harmless/indemnification clause protecting you;
- The agreement requires that the contractor name

icpocing/icpocdisclaimer.jsp) to check that New York State has confirmed the contractor’s workers compensation coverage.

You do complete all of the above, every time that you hire a contractor, don’t you?

But, even if you’ve faithfully been executing all of the above steps, how do you know if the Contractor’s Liability Insurance will protect you? Exclusions in the contractor’s liability policy, which could leave you exposed, regardless, include:

- Exclusion for work on your roof;
- Exclusion for work outside your building;
- Exclusion for snow plowing;
- Exclusion for hiring subcontractors or day-laborers;
- Exclusion for residential work;
- Exclusion for work performed above a certain height or number of stories;
- Exclusion for the contractor’s liability created by the hold-harmless in the written

AGENCY CUSTOMER ID: \_\_\_\_\_

**ACORD** NEW YORK CONSTRUCTION  
CERTIFICATE OF LIABILITY INSURANCE ADDENDUM DATE (MM/DD/YYYY)

THIS ADDENDUM SUMMARIZES SOME OF THE POLICY PROVISIONS IN THE REFERENCED INSURANCE POLICIES AND IS ISSUED AS A MATTER OF INFORMATION ONLY; IT CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. ALL TERMS, EXCLUSIONS AND CONDITIONS IN THE ACTUAL POLICY SHOULD BE CONSULTED FOR A MORE DETAILED ANALYSIS OF COVERAGE, AS THIS ADDENDUM DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES.

AGENCY	NAMED INSURED(S)		
POLICY NUMBER	EFFECTIVE DATE	CARRIER	NAIC CODE

ADDENDUM INFORMATION      CERTIFICATE NUMBER: \_\_\_\_\_      REVISION NUMBER: \_\_\_\_\_

NEW  
CERTIFICATE WHEN  
HIRING CONTRACTORS

**A. Insurer**

Admitted / authorized

Excess line or free trade zone

**B. General Liability (GL) policy form**

ISO / ISO modified

Other

**C. Specific operations excluded or restricted (if applicable)**

Type of construction: \_\_\_\_\_

Building height: \_\_\_\_\_

Classification (see attached declarations / endorsements)

Assigned risk (see attached declarations / endorsements)

**D. Additional insured endorsement (GL policy)**

CG 20 10     CG 20 26     CG 20 32     CG 20 33     CG 20 37     CG 20 38

Other: # \_\_\_\_\_ Title: \_\_\_\_\_

**E. According to the terms of this GL policy, the additional insured has primary and noncontributory coverage**

Yes     No and     no other option is available with this insurer

**F. Additional insured will receive advance notice if insurer cancels (GL policy)**

Yes     No and     no other option is available with this insurer

**G. Blanket contractual liability located in the “insured contract” definition (Section V, Number 9, Item f. in the ISO CGL policy) is removed or restricted**

Yes and     no other option is available with this insurer     No changes made

**H. “Insured contract” exception to the employers liability exclusion is removed or modified (GL policy)**

Yes and     no other option is available with this insurer     No changes made

**I. GL policy (including endorsements) does not cover the additional insured for claims involving injury to employees of the named insured or subcontractors (not workers’ compensation)**

Yes and     no other option is available with this insurer     No changes made

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## GHP Office Realty Sells Yonkers Building

YONKERS—Jamie Schwartz, executive vice president of White Plains-based GHP Office Realty, LLC, recently announced that he has sold 1179 Yonkers Avenue in Yonkers for \$4,000,000.

The purchaser paid approximately \$200 per square foot for the three-story building. The structure contains 20 rent-regulated apartments and seven retail stores, officials said.

The 1179 Yonkers Avenue facility comprises nearly one full block on Yonkers Avenue and Richfield Avenue. It is within walking distance to the Mount Vernon West Metro-North Train station and is directly off Bronx River Road, as well as the Bronx River Parkway. GHP Office Realty said that the transaction involved a record price per square foot for a mixed-use building of its

type in the area.

Schwartz arranged the transaction on behalf of the seller, a private New York City investor who owned the building for approximately 28 years, officials said.

The purchaser was represented by its principals, Gary and Michael Juster of Juster Development, a private real estate investment firm. John W. Dunne, Esq. of Lynn, Gart-

ner, Dunne and Covello, LLP, was counsel for the seller. Steven C. Hirsch, Esq. of Hirsch & Gibaldi, LLP was counsel for the purchaser, spokesmen said.

GHP Office Realty is the office building division of Houlihan-Parnes Realtors, LLC, which is one of the New York area’s leading owners, operators and purchasers of suburban New York commercial and

office space, company officials said.

GHP Office Realty has acquired, financed, redeveloped, leased and managed more than 6,000,000 square feet. Regionally, company partners own and manage buildings in Westchester and Rockland counties, Fairfield County (Conn.), Bergen County (N.J.), Princeton (N.J.) and in Fort Worth, Tex., officials added.