

Important Information For New York Property Owners and Tenants

As a result of New York Labor Law Section 240, you may be liable for injuries to contractors you hire to do work at or on your property. Learn more about this law and what you can do to reduce your risk.

As a New York property owner or a tenant who hires contractors to repair, alter, paint, erect, demolish, clean or point a building or structure, you may be liable, under New York Law Section 240, for injuries sustained by the contractor's workers who fall from heights or who are struck by falling objects.

This law places the responsibility for worksite safety on owners and tenants who hire contractors. Liability under New York Labor Law Section 240 may be imposed regardless of whether the property owner exercised supervision or control over the injured worker.

Examples of Claims and Lawsuits

Contractors often work at heights and use ladders, scaffolding or other devices in order to get a job done. It would not be uncommon for a contractor's employee (injured in a fall from a height on your property), to bring a legal action against you or your company. Examples of situations that resulted in a claim and/or lawsuit under Section 240 of the New York Labor Law include:

- A maintenance worker fell from a ladder and was injured while taking down ceiling tiles to correct a drafty condition created by improperly installed ceiling insulation.
- A worker was injured when he fell from a roof while removing snow and ice.
- While finishing a ceiling, a carpenter sustained injuries when he fell from four foot stilts.
- A worker was injured when he fell from an elevated height while removing and replacing piping for a machine oil supply and return system.
- A worker was injured in a fall from a steel beam. There was no scaffold beneath the beam nor any netting, lifeline or other safety device.

In each of these cases, the property owner was alleged to be liable based on the fact that they had hired a contractor to do work.

Impact on Insurance Coverage

Claims and lawsuits under Section 240 of the New York Labor Law may have an adverse effect on your company's finances and insurance program.

- The most significant risk is a judgment against your company that is in excess of your policy's limit of liability. Some claims based on this law have been \$1 million or more.
- Your future insurance premiums may increase as a result of lawsuits against your company.
- Because favorable claim history is a key component of your insurability, liability insurance may become difficult to obtain.

Reducing Your Risk

There are a few simple risk management techniques that can be implemented with the assistance of your attorney or insurance agent to help reduce the chances of your business being involved in litigation:

1. Prior to the start of any work, have a written contract in place that includes an appropriate indemnification clause. Ensure that all contracts and indemnification clauses are reviewed by a qualified attorney prior to signing.
2. Be named as a "primary" and "non-contributory" Additional Insured on the contractor's General Liability Policy. This method of transferring risk could be significant in the event of a loss.
3. Only hire reputable contractors to perform work of any kind on your property, whether owned or leased. Pre-qualify contractors by reviewing previous work, securing recommendations from previous customers, reviewing the contractor's financial condition, inquiring about past losses, and ensuring the contractor has adequate and appropriate insurance coverage, including Workers' Compensation coverage.
4. Require all contractors you hire to strictly follow all OSHA and NY State Industrial Regulations. Ensure that the contractor is aware of the applicable regulations and laws that apply to this exposure.

Taking these simple steps will help minimize the possibility of the New York Labor Law having an adverse effect on your company's finances and insurance program, as a result of hiring a contractor. For more information about how The Hartford can help meet your business' risk management and insurance needs, please contact your agent.

New York Labor Law Section 240 (1) provides, in part, as follows:

"All contractors and owners and their agents, except owners of one and two-family dwellings who contract for but do not direct or control the work, in the erection, demolition, repairing, altering, painting, cleaning or pointing of a building or structure shall furnish or erect, or cause to be furnished or erected for the performance of such labor, scaffolding, hoists, stays, ladders, slings, hangers, blocks, pulleys, braces, irons, ropes and other devices which shall be so constructed, placed and operated as to give proper protection to a person so employed."

The information provided above is of a general nature and may not be considered legal advice. The content of this document may omit certain details and cannot be regarded as advice that would be applicable to all businesses. As such, this information is provided for informational purposes only. Readers seeking resolution of specific safety, legal or business issues or concerns regarding this topic should consult their safety consultant, attorney and/or business advisors. The information presented is not a substitute for a thorough loss control survey of your business or operations or an analysis of the legality or appropriateness of your business practices. We do not warrant that the implementation of any view or recommendation contained herein will be an appropriate legal or business practice. Further, we do not warrant that the implementation of any view or recommendation will avoid any or all liability.

ACORD CERTIFICATE OF INSURANCE

DATE
(MM/DD/
YY)

DATE

PRODUCER
SAMPLE CERTIFICATE
Insurance Agency

Name & Address

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE
COMPANY
A A Insurance Company

INSURED
SAMPLE CERTIFICATE

Subcontractor name & complete address

COMPANY
B B Insurance Company
COMPANY
C
COMPANY
D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED TO PAY CLAIMS.

CO	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	123456	01/01/2007	GENERAL AGGERGATE \$ 2,000,000
X	COMMERCIAL GENERAL LIABILITY			PRODUCTS-COMP/OP AGG \$ 2,000,000
	CLAIMS MADE X OCCUR			PERSONAL & ADV INJURY \$ 1,000,000
	OWNER'S & CONT PROT			EACH OCCURRENCE \$ 1,000,000
				FIRE DAMAGE (Any one fire) \$ 50,000
				MED EXP (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY	246810	01/01/2007	
X	ANY AUTO			COMBINED SINGLE LIMIT \$ 1,000,000
	ALL OWNED AUOTS			BODILY INJURY (Per person) \$
	SCHEDULED AUTOS			

<input checked="" type="checkbox"/>	HIRED AUTOS				BODILY INJURY (Per accident)	\$
<input checked="" type="checkbox"/>	NON-OWNED AUTO				PROPERTY DAMAGE	\$
GARAGE LIABILITY					AUTO ONLY-EA ACCIDENT	\$
<input type="checkbox"/>	ANY AUTO				OTHER THAN AUTO ONLY:	\$
					EACH ACCIDENT	\$
					AGGREGATE	\$
A	EXCESS LIABILITY	1234567	01/01/2007		EACH OCCURRENCE	\$ 1,000,000
			0			
			1			
			0			
			1			
			2			
			0			
			0			
			6			
<input checked="" type="checkbox"/>	UMBRELLA FORM				AGGREGATE	\$ 1,000,000
	OTHER THAN UMBRELLA FORM					
B	WORKMAN'S COMPENSATION AND EMPLOYER'S LIABILITY	135791	01/01/2007	<input checked="" type="checkbox"/>	STATUTORY LIMITS	\$ NY STATE
			0			
			1			
			0			
			1			
			2			
			0			
			0			
			6			
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE:	<input type="checkbox"/> INCL <input type="checkbox"/> EXCL			EACH ACCIDENT	\$ 1000000
					DISEASE - POLICY LIMIT	\$ 1000000
					DISEASE - EACH EMPLOYEE	\$ 1000000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS						
Per project aggregate applies to General Liability Policy. Putrelo Construction Co., Inc. And all other parties as required by contract are named Additional Insured on a primary and noncontributing basis. Waiver of Subrogation endorsement applies. Project: Sauquoit Valley CSD Reconstruction Project						
CERTIFICATE HOLDER			CANCELLATION			
Putrelo Construction Company Inc. 9273 Grange Hill Road New Hartford, NY 13413			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.			
			AUTHORIZED REPRESENTATIVE			