# QBBA BULLETIN

the newsletter of The Queens & Bronx Building Association



16-66 Bell Boulevard #745, Bayside, NY 11360 • 718-428-3369 • fax 718-428-3494 • queensbronxba.com

Summer 2015

#### News from NYSBA, the New York State Builders Association

As you probably know, when you join QBBA, you also join NYSBA, our state chapter of the National Association of Home Builders (NAHB), the national association of which we are a local chapter. As per NYSBA, "The State Legislature finally left town, five days after session was originally scheduled to end. The priority issues which dragged the session on revolved around extension of rent control, the 421-a tax abatement, the property tax cap and creation of an education tax credit. Here are a few bills on our 2015 Legislative Agenda which we were able to move through the Legislature:

**Visitability Tax Credit** Provides tax credit up to \$2,750 for any house built or retrofitted to visitability standards. Passed both houses of the legislature, awaits governor's signature. (S.2697/A.1276)

Green Building Tax Credit Provides tax credit up to \$10,000 for any house built or retrofitted to either LEED or NGBS standard. This legislation will need some changes and consultation with DEC before it goes effect. Passed both houses of the legislature, awaits governor's signature. (S.3945/A.6420)

Unmapped Streets Requires the issuance of certificates of occupancy, in the city of New York for certain one and two family residences on an unmapped street. Very important bill for Staten Island. Passed both houses of the legislature, awaits governor's signature. (S.3472/A.7487) Article 78 Reform Would authorize judicial discretion in the posting of security for any Article 78 proceeding involving the issuance of a stay of the enforcement of a determination involving a permit or approval in connection with the development or construction of residential housing. Passed Senate and died in Assembly. (S.292/A.5669)

Smoke Detector Ten Year Battery Requires that battery operated smoke detectors within homes have batteries that are non-replaceable, non-removable and will power the device for a minimum of ten years. Passed both houses of the legislature, awaits governor's signature. (S.2696/A.3057). For more information, contact Lew Dubuque at (518) 465-2492, ext 111, lewisd@nysba.com. NYSBA continued on page 10

# **QBBA's Guest Speaker, Queens Borough President Melinda Katz**



At our June meeting, we were most pleased to have as our guest speaker Melinda Katz, President of the Borough of Queens. Ms. Katz last visited us back in February 2013 when she was running for the office. Some interesting facts offered by the Borough President: Queens has a population of 2.3 million, of whom 46 percent were born outside the USA. The largest source of employment is in the health care industry, with the next largest employer our airports and ancillary businesses. And as we know

from Mayor Bill de Blasio, additional housing, especially affordable housing, is critical to the borough. Much appreciation to Ms. Katz and to Melva Miller, Deputy Borough President, for their attendance and their accessibility.

# Members From the Long Island Builders Institute (LIBI) Attend and Support Our Event

QBBA and LIBI are exploring ways to better serve their memberships. The Long Island Builders Institute is a sister chapter of the National Association of Home Builders (NAHB) and covers the 114 miles inclusive in Nassau and Suffolk counties. In



LIBI members (I-r) Alan Kennemer, Cosentino; Will Hubbs, Parksite; Jay Ratto, J. Ratto Landscaping, Ltd.; Lois Fricke, LIBI Operations Director; Nick Dalvano, All-Way Elevator; Mike Souto, Deer Park Stairbuilding and Millwork Co.; Brian Herz, Sterling Floor Designs

fact, many members of QBBA are also members of LIBI, including our President, Peter Florey, who also serves on their board. Combining strength in numbers and cross-pollination of ideas and procedures makes for a perfect fit among our two organizations. Members of QBBA will be attending LIBI's Summer Networking Event, *Dancing Through the Decades*, which will feature a wide variety of music plus events for the entire family, including special children's pricing and activities. Held at the Snapper Inn in Oakdale, LI, information is available at (631) 232-2345.

LIBI also has its annual Golf and Softball Outing on Wednesday, September 17th on two LI courses, the Baiting Hollow Golf Club (also site of dinner) and The Vineyards Golf Club.

#### NYSBA Golf Outing & Meeting

Finish your summer upstate at the Turning Stone Resort in Verona, NY at NYSBA's event on Aug. 27!

#### Calendar Of Events...

- Aug. 27
  Thurs. 10 am

  NYSBA Board Meeting & Golf Outing
  Turning Stone Resort, Verona, NY (518) 465-2492
- **Sept. 16** Officer Installation Dinner Marina del Rey, Throgs Neck
- Oct. 22 QBBA Annual Trade Show
- Thurs., 5:30 pm LaGuardia Marriott, East Elmhurst

  Nov. 18 QBBA November Mixer
- Wed., 6 pm Monahan's, Bayside

  Dec. 5 QBBA Holiday Gala and Building Awards
  Sat., 6 pm Marina del Rey, Throas Neck

Info/Reservations: e-mail june@queensbronxba.com or fax: (718) 428-3494

#### **QBBA BULLETIN**

QBBA Bulletin is the newsletter of the Queens & Bronx Building Association. For information regarding content and advertising, please contact our Executive Director, June Petrone, at our association headquarters, 16-66 Bell Boulevard, #745, Bayside NY 11360, (718) 428-3369, fax: (718) 428-3494, e-mail: june@queensbronxba.com. Visit www.queensbro

#### Queens & Bronx Building Association

**Executive Board** 

President: Peter Florey D & F Development Group

First Vice President: Eugene Lvovskiy

V.P. & Treasurer: Craig Elka The Briarwood Organization

V.P. & Secretary: Michael Kessler Levine Builders

V.P. Associate Affairs: Jack Dragone CASA Building Materials

Norman D. Alvy, Esq. Legal Counsel: Ficara & Associates, P.C.

Robert S. Altman, Esq. Legislative Consultant: Robert S. Altman, Esq., PLLC

Charles Feld

Margherita Venti

Hudson Insulation of New York

**Executive Director:** June Petrone

#### **Board of Directors**

Matthew Adessa. Wells Fargo Home Mortgage

Robert S. Altman, Esq.,

Craig Axelrod

Ira Brown The Briarwood Organization Gerald Caliendo Gerald Caliendo Architect P.C

Lynn Cassone Cassone Leasing Inc.

Michael Della Vecchia Michael Della Vecchia &

Anthony J. Ficara Brian Herz Sterling Floor Designs, Inc. William Hudson IV Home Crafts. Inc Jackie Kamali Kamali Organization Ron Luft Jesenia Quiones

State Director: Eric Bluestone

National Director: Henry Wan

Chairman of the Board: Lawrence Rosano, Ir. Associated Development Corp

#### Past Presidents, the last decade + :

#### **News from the President**



Peter Florey, D & F Development Group

It's been an anathema to builders and owners in New York for nearly a century, but our best hope for its reform may be in the coming year. The Scaffold Law (NYS Labor Law sections 240/241)imposes "absolute liability" for gravity or elevation related injuries on contractors and property owners engaged in construction, repair, or demolition.

Absolute liability means that the contributing fault of an injured

worker, i.e. they are drunk or on drugs, failure to use protective safety equipment, or gross negligence, is irrelevant in court.

The effect of this law on contractors and owners, especially smaller subcontractors trying to make ends meet, is that liability insurance is as much as ten times higher in New York than in other states. In cases involving an elevation related injury, settlement is almost always guaranteed in favor of the plaintiff. The law has given rise to an unprecedented amount of lawsuits. More than half of all lawsuits last year were a direct result of the Scaffold Law. The end result is that less work is done, fewer workers are hired due to the highest insurance premiums in the country, and that there are very few insurance carriers left who are willing to insure construction in New York.

While this effects all of us in the construction industry, perhaps the group that is most adversely impacted is smaller, in many cases minority and women owned businesses. Specifically, contractors that are often less capitalized and may find the cost of liability insurance prohibitively expensive thus rendering them incapable of continuing their business. But the fact is that everyone loses because of the Scaffold Law, including homeowners who pay in higher prices the additional cost of insurance that this law imposes.

What those of us proposing Scaffold Law reform are asking for is a fair playing field and that it be replaced with a standard that is known as "comparative negligence" which means that liability is decided by a jury in proportion with actual fault.

There are a number of legislative bills (\$543/A3209) in the Senate and the Assembly that would do just this and that we need to actively support. So what is holding back the process?

The trial lawyers lobby has considerable clout in Albany and does not want to let this plum go. Needless to say, this is a very profitable part of their business that they will not want to lose. What do we do? One of the biggest obstacles to Scaffold Law reform, former Assembly Speaker Sheldon Silver, has been relieved of his duties and his successor, Assemblyman Carl Heastie does not seem to be enamored of the law as it really hurts smaller minority contractors the most. So is there hope? While we do not believe that we will see reform in this current session because of continual turmoil and members of the legislature being arrested at unprecedented numbers, we feel that once the dust settles in Albany in the new session, change may occur.

What do we need to do? We need to tell our local legislators that this law does not

Lawrence Rosano, Jr. (2013-2014) Associated Development Corp.; Ira Brown (2010-2012) The Briarwood Organization; Olga Jobe (2009-2010) Jobe Development; Hercules Argyriou (2007-2008) Mega Contracting



PROPERTY MANAGEMENT CORP.

Fax: (718) 364-5704 www.LALProperties.com

2490 Belmont Avenue • Suite 2 Bronx, New York 10458

Tel: (718) 364-5700 LLerner@LALProperties.com

LESLIE A. LERNER .President

### City Government Update

by Robert S. Altman, Esq., QBBA Legislative Consultant

One of the most problematic positions in City government is the Public Advocate. Think about it for a second. What does the Public Advocate really do? Pause, think, pause, think. Stumped aren't you? A few years ago, one candidate for the office actually ran on a platform whose sole tenet was to get rid of the office. If I had still lived in the City, that person would have had my vote.



So let's tell you what the Public Advocate basically does. First, the Public Advocate presides over the City Council. Does he or she get a vote? Only if there is a tie. And this role is often filled by other Council Members if the Public Advocate is not present. Second, the Public Advocate can introduce legislation, but it is done as a courtesy through a sitting City Council Member (most often the Chair of the Committee to which the legislation will be assigned) and this power is also shared with the Borough Presidents. Third, the Public Advocate gets to appoint people to various commissions and boards, but most of these have a majority of panelists appointed by the Mayor and the Public Advocate's appointee is mostly ineffectual if opposing the Mayor.

But most of all, the Public Advocate is a nudge. But there are good nudges and bad nudges. And the Public Advocate is institutionally set up as a bad nudge. A good nudge pushes for answers and has some real power to get the job done. For example, a Council Member has authority in budget, land use, and legislation. Although one of many members, there are procedures that can be manipulated to enhance a member's powers if he or she plays their cards right. The Public Advocate has almost none of these responsibilities as the position has no power when it comes to final votes on any of the three areas. And when you have no responsibility, there is no need to be responsible.

People used to say that Mark Green was nothing more than a walking press release, using his office to annoy Mayor Rudy Giuliani and basically serving a term as an eight year candidate for Mayor. He was often viewed as the perfect model for why the office should be abolished because Green basically accomplished nothing (as Giuliani did not give him the time of day, and neither did the Council).

But I wonder if our current Public Advocate, Letitia James, is doing Green one better. Why? Well, I am privileged to receive all sorts of e-mail blasts and press releases from her office. (Yes, I know you envy me this... cough, gasp.) The material contains the intellectual content of a third-grader (and I do know that Letitia James has a better brain than that, although these pieces make me begin to doubt that). Maybe she is looking to appeal to a less educated public, but these pieces generally go to a more educated, activist population, and even a supporter of Ms. James' positions would probably want more intellectual heft than what she provides.

And even when Ms. James ventures into real policy, she ultimately disappoints. Case in point is her recent call for discounts for poor people to use mass transit on the eve of the fare increases, citing statistics that poor people find it hard to pay for mass transit. (Just a little hint here, poor people find it hard to pay for everything. It sort of goes along with the definition of poor.) And how would Ms. James pay for this? Why, reinstate the commuter tax, of course. Boy, this commuter tax is mentioned so

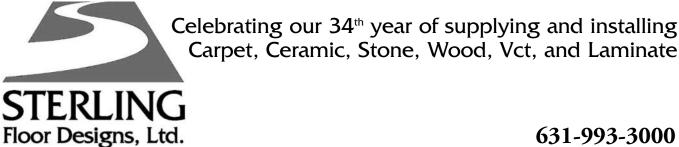
often when politicians from the City need money that it must be the biggest pot of money ever known to man... at this stage I am convinced that it will close the Federal budget deficit. Of course, James knows this is a non-starter, so her solution is silly. Any other ideas? No. Which is surprising. I mean she could have said let the City or State fund it out of surplus funds, but she did not. Granted that probably has a low chance too, but at least it is budgetary and one avenue is controlled by the City in which Ms. James is elected. But Ms. James probably does not want to highlight her lack of power by proposing something within the City's purview where she has no ability to impact the outcome. But at least Mark Green would propose something close to an actual solution.

So ultimately, this Public Advocate is advocating merely for the sake of advocating with no real proposal to support her advocation. It's like me saving I want a three month vacation throughout Europe with no means of paying for it. A nice fantasy, but it is not happening. And what good is an elected official who cannot propose serious solutions to serious problems? So what good is Ms. James?

It makes me wonder where that old candidate is who ran seeking to abolish the office. I want him to run again. I might even move back into the City to vote for him.

President's Message, continued from page 2

make sense and hurts our industry and those who are struggling to continue working. We need to make a big push in the coming year to lobby hard in Albany to get this changed. We need to engage our smaller partners who are being hurt the most and get them active in the cause. It seems as though the stars could be aligned to see the end of the Scaffold Law. But we need to act decisively if we are going to see it gone once and for all.



631-993-3000 www.sterlingfloordesigns.com

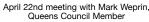
82 Modular Avenue, Commack, NY 11725

Serving the Builder, Commercial, Replacement, Home Improvement, and Designer markets

The complete flooring source.

# QBBA MEMBERSHIP MEETINGS



















Melva M. Miller, Queens Deputy Borough President



Our April dinner meeting featured Mark Weprin, then-NYC Council Member and head of the Queens Council Delegation who has since resigned to become the new New York State Deputy Secretary for Legislative Affairs.

In May we held our annual Golf Outing at North Hills Country Club in Manhasset, Long Island where a sold out crowd enjoyed a full day of golf and/or our expansive buffet dinner.

And in June your QBBA was pleased to host as our guest speaker Melinda Katz, Queens Borough President, who was accompanied by her Deputy Borough President, Melva M. Miller.

We are talking about participating once again in the Dragon Boat Races this summer. Contact June Petrone at (718) 428-3369. Fall meeting is on Sept. 16th.













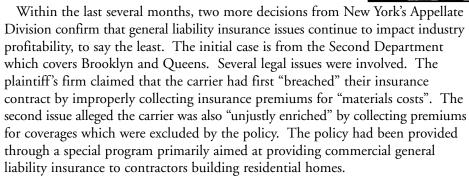
New Environmental Construction



June meeting with Melinda Katz. Queens Borough President

## **Insurance Issues Continue to Influence Economics of the Building Industry**

By Norman D. Alvy, Esq. Tunstead & Schechter - Legal Counsel for QBBA



The contractor argued a portion of the insurance premium was improperly charged based on the cost of both labor and materials, rather than labor payroll only. The contractor claimed premiums should have been collected on the labor payroll only. The plaintiff also claimed the collection of premium for the "cost of materials" was a "deceptive" practice in violation of §349 of the General Business Law. At the outset the Appellate Court said the lower Court should have dismissed the "breach of contract" claim entirely because an undisputed "audit" showed the contractor never paid any premium for the cost of materials so it had no monetary damages at all. Having refused to pay the premium, the contractor chose the wrong type of legal action to pursue their lawsuit. The contractor should have commenced an action for a declaratory judgment declaring that they were not required to pay the premium which would not have required a party to prove a loss of damages. For the same reason the unjust enrichment claim should have been dismissed. The carrier claimed the contractor never paid the premium so it was not unjustly enriched. One of the insurance carrier's employees testified the premiums were never paid. This was not refuted by the contractor. The commissions were never paid, so, ipso facto, no unjust enrichment could have occurred.

Finally, the Court dismissed the action based on the "filed rate doctrine". The filed rate doctrine holds that rates approved by a regulatory agency are per se reasonable since the legislature set up the agency for the specific purpose of setting up "uniform" non-discriminatory rates. Hence the claim by a contractor that premium charges for "uninsured subcontractors" was deceptive because insurance policies excluded liability arising from the work of "uninsured subcontractors". According to the Second Department this type of determination is precisely one that is vested with the Insurance Department which has the expertise and tools to exclude risks and costs incurred by insurance companies. It could be that the carrier's "exposure" to the work of an uninsured subcontractor is not zero. That is for the agency to decide, not the Courts.

The second case applicable to our discussion involves property located in

Flushing, Queens. In that case, an employee of a subcontractor constructing the framing of three additional floors fell and incurred injuries. Following the fall, the owner of the building provided notice to its commercial general liability insurance carrier of the occurrence. The owner of the building on their insurance application had, however, stated they had no intention of conducting demolition or construction at the premises. The carrier advised that further investigation of the claim was required. Subsequently, it commenced an action seeking a declaration it had no duty to defend the owner of the building in regard to the fall. The lower Court agreed and the owner appealed the decision. The Second Department upheld the denial of the claim. The carrier claimed the accident did not take place at the designated premises covered by the policy. They claimed the insured's premises was a 10,000 square foot one story building but the occurrence took place on a three story addition which materially altered the designated premises. According to the Court, the policy only provided coverage for the 10,000 square foot building located on the first floor. It did not provide coverage for an additional third floor of an intended four story structure; nor for the structure that existed during the

In conclusion, it is always good business practice to review your insurance requirements on a monthly basis and advise your insurance broker of new developments to insure that new projects or undertakings will be covered by your current insurance program.

construction of three additional floors.

This article is not to be considered legal advice. If you have any specific questions you should contact your legal counsel. You may contact Norman D. Alvy, OBBA Legal Counsel, at Tunstead & Schechter, 500 North Broadway, Jericho, NY, (516) 822-4400, fax (516)822-4462; na@tslawyers.com for any additional inquiry.

#### Welcome New Members

All-Ways Elevator

Nick Dalvano 305-7 Knickerbocker Avenue, Bohemia, NY 11716

**Environmental Construction Solutions Inc** 

340 Fifth Avenue, 2nd Floor, Pelham, NY 10803 914-365-9514 office@ecsgogreen.com

Get It Done Now LLC Mierand Jaggessar 121-09 107th Avenue, Richmond Hill, NY 11419 347-886-6265 info@getitdonenowllc.com

Joseph G. Kelley Construction Management 2408 Main Street, 2nd Floor, Bridgehampton, NY 11932

Latin Window Installation, LLC.

631-725-9566

Jose M. Rodriguez 135-21 121st Street, South Ozone Park, NY 11420 347-283-0801 latinwindowllc@gmail.com

Metro Interior Distributor Corp. Matthew Sutherland 20 Railroad Street, Huntington Station, NY 11746 631-673-8420 msutherland@metroir

National Insurance Brokerage of New York 175 Oval Drive, Islandia, NY 11749

New World Industries Inc.

Ida Marasco 182 Fairchild Avenue, Plainview, NY 11803 516-334-0980

# Golf Outing QBBA 2015





#### **D & F Development Wins Vision Long Island "Smart Growth" Award**

As a surprise to QBBA President (and principal/partner of D & F Development Group), Peter Florey, we are reprinting Vision Long Island's narrative relating to their Smart Growth Awards award for Housing Choices presented to D & F in June. Brooke Point has also recently won the Top Smart Growth Project award in Long Island Business News' 2015 Real Estate and Development Awards.

Congratulations Peter from all of us at QBBA!

"Until recently, a string of abandoned storefronts on Gibson Boulevard provided an evesore for Valley Stream residents. Thanks to the efforts of D & F Development and the Village of Valley Stream, the abandoned buildings will soon be replaced with Brooke Point, an affordable housing complex.

Located on 94-158 Gibson Boulevard, the plans for the project include 39 units of multifamily rental housing, with 19 one bedroom units and 20 two bedroom units. It will be four stories with parking on the ground level. The development will include ground level parking, a rooftop deck, a fitness center, and a community room. A \$15 million transit-oriented development, the project is conveniently adjacent to the Gibson LIRR station on the Far Rockaway Branch.

Long Island has a significant shortage of affordable housing, which has contributed to an overall lack of young working families and the "brain drain" across the island. D & F principal Peter Florey knows from experience that the demand for affordable housing is very high; he anticipates that this development will have a long waiting list.

The apartments will be rented below the market average, about \$1,000 to \$1,500 a month, to people with annual incomes between \$45,000 and \$85,000. Brooke Point looks to serve the needs of young families and households who don't have the money to rent at the average price and who would benefit from proximity to the LIRR.

Development of the Gibson property has been several years in the works. Village Mayor Ed Fare noted that multiple proposals to develop the property had fallen through in the past. Due to stalled action on the redevelopment of vacant Gibson Boulevard property, the Village of Valley Stream looked into using eminent domain to secure the property and held a hearing to explore the possibility. D & F reached an agreement with the previous owner for the sale of the property in September 2014, and eminent domain was not needed.

Mayor Fare was also adamant about reaching out to both D & F and village residents in discussions of the proposals, stating that he wanted to hear residents' opinions on what should be done with the property.

The president of Envision Valley Stream gave support to the development, commenting on the need for affordable housing, the project's convenient location near the LIRR station, and D & F's commitment to creating an attractive and well maintained building.

The project commenced demolition in November 2014 and



Trudy Fitzsimmons, Vision LI Co-Chair; Tom McAleer, Village of Valley Stream; Peter Florey; Ed Mangano, Nassau County Supervisor; Robert Fonti, Vision LI Co-Chair

construction began after the site was razed in January. It is projected to be finished in June 2016. Residents of Gibson can breathe a sigh of relief now that a blight on their community will be replaced with something to benefit the whole community."

#### D & F has many other projects in the works...

These include Highland Green, located in Melville, Long Island. A most interesting development, it is a limited equity co-op where owners are stockholders in a cooperative corporation. Units are turned over to the corporation when selling, as the corporation is holding the mortgage. As per Newsday, "Instead of paying rent or a mortgage, residents in the so-called limited equity housing will pay a monthly fee (from \$940 to \$1,300) that covers their share of the development's property taxes and maintenance costs. It also gives residents a chance to build in equity in

the property without having a mortgage or other financing. Residents can take some of their investment with them when they leave." As per Newsday's Joye Brown, "The complex would be governed by a co-op board, which would include residents and advisors with expertise in managing such housing." Huntington Supervisor Frank Petrone originally suggested the concept based upon his own personal experiences. Reports Ms. Brown, "He moved into a limited equity co-op in the Bronx at age 20, when he and his wife were expecting their first child. Later, they moved to a larger unit, when the family was expecting a second child. Stated Supervisor Petrone, "It s what we could afford, and it worked then. It could work for other young couples in Huntington now."

Other D & F projects in the works include Village Walk in Patchogue, Long Island, a five-story assisted living facility to be built on Main Street; also a project in southeastern Queens, near the Nassau County border.

Peter Florey is a founding board member of the New York State Association for Affordable Housing, an advisory board member of the New York Housing Conference. He organizes and directs The 5K Race for The Interfaith Nutritional Network, and so much more.



Artist rendering: Brooke Point, Valley Stream, LI, NY

Florey and D & F were similarly committed to providing an attractive building that would fit the community and benefit the future residents, designing a building with elements of classical and modern architecture.

An active development would benefit the economy as well, bringing in thousands of dollars in tax revenue each year to the village and the Hewlett-Woodmere School District.



## Join us for the Kamco BBQ Series

Every Thursday, Memorial Day - Labor Day



# Come by for a Burger and a Dog

Meet our staff and featured building material manufacturers

#### **RAIN OR SHINE**

Grilling hours 11:30 am - 2:30 pm

at all four locations.

Kamco Supply Corp. 80 21st Street Brooklyn, NY 11232 718-768-1234

Kamco Supply Corp. 506 W 21st Street New York, NY 10011

212-736-7350

Kamco Supply Corp. 301 Robbins Lane. Svosset, NY 11791

516-935-8660

▲ Weyerhaeuser

Kamco Supply of NJ, LLC 845 East 25th Street Paterson, NJ 07513 973-247-1234





RAM BOARD









radiustrack\*





True Value.













NU-WAVE





**KNAUFINSULATION** 









































Burke





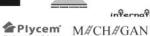














Select vendors will showcase products weekly Kamco.com

#### What NYS Contractors need to know about Employee Leasing and Labor Law 240, a recipe for Disaster

When asked why a contractor would lease instead of hire employees the common answers are:

- 1. Reduced Workers' Compensation cost
- 2. Reduced Administrative Expenses such as payroll and other employee benefits
- 3. Increased Profit Margin
- 4. Larger Labor pool
- 5. "Business Reasons" undefined

The real question is, "Why would any contractor in NY even think of leasing employees?"

Here lies the problem. While employee leasing works very well in many other states, it does not work well in NY especially for contractors who typically have higher than average job site injuries. Unlike most other states, NY has two laws on the books called Labor Law 240 & Labor Law 241 (aka "The Scaffold Law") that allow injured workers to not just collect workers compensation benefits from their employer but also litigate against other, what we will refer to as, "responsible parties." Since leased employees are subject to "co-employment" which makes those employees, employees of the leasing company and not your employees, so if they are injured on the job site they have the ability to litigate under Labor Law 240 & 241. You can bet your bottom dollar that the injured leased employee can, and will, litigate against your business, and furthermore they can also litigate against your customers, to whom you have provided a Certificate of Insurance providing both defense and indemnification in their favor. These are your "responsible parties" – you and your client!

"But I provided a Certificate of Insurance, why am I responsible for my client's defense?" Most insureds do not realize that within their General Liability (GL) policy there is a "Leased Employee" exclusion which now creates the provided Certificate of Insurance useless. So again, who now becomes the responsible party? You!

And you thought it could not get any worse. Oh yes it can! In NY the other "responsible parties" are subject to "Strict liability" and therefore there is no requirement to prove fault, negligence or intention (strict liability is a standard for liability which may exist in either a criminal or civil context. A rule specifying strict liability makes a person legally responsible for the damage and loss caused by his/her acts and omissions regardless of culpability). There goes your business, and in some cases much more than that, right down the drain.

The other thing that suffers is the quality of your work, providing unskilled labor not only increases the risk of injury but also increases your product liability and completed operations exposure. It's tough enough to be called cheap, but to be called incompetent, unqualified or substandard is both deplorable and totally undesirable. Bad reviews in

web sites such as "Angie's List", "Twitter", Facebook", or on someone's blog will cost vou work.

Employee leasing may transfer some of the Workers' Compensation cost to the Employee Leasing Company (aka PEO), but it does not transfer your responsibility. Providing a safe place to work under NY labor law remains your duty. In fact, being brought into a labor law case by a seriously injured worker may also create coverage issues and reservations by your GL carrier for both you and any additional insureds you may be obligated to protect.

Another myth propagated by employee leasing is it will better your experience modification (EMR). Not so, your experience will continue to follow your EMR and be a factor in bidding and the pricing of your WC. You may also find that employee leasing can eliminate any advantages you currently have with earning Construction Classification Premium Adjustment Program (CCPAP) credits.

Before you consider employee leasing, we suggest a thorough review of your contractual obligations to provide coverage to your GC's and Owners, since they may also have a stake in the coverage you may or may not be able to provide.

So the real question now is, "Should I hire my own employees or use subcontractors (making sure their insurance is in place) or should I lease?" We think you now have the answer.

This article was written by the staff of RMPG for the benefit of our Builders and Contractor clients. RMPG is one of the largest managers of Workers' Compensation in New York and provides Brokerage Services, Claims Oversight, Loss Control Oversight, Payroll Audit and Experience Modification Review for our Safety Groups and our Commercial Accounts for over

NYSBA continued from page 1

#### D.O.S. Code Council Meeting Set for August 19th in Albany

The New York Department of State has decided against a special meeting to address the fire sprinkler mandate issue before the next regularly scheduled Code Council meeting. This means that August 19th is the date that we will finally get a vote on if New York will join the 47 other states who have decided against mandating fire sprinklers in all new one- and two-family homes.

We know that the mandate supporters are now looking at townhouses and homes over 4,000 square feet as an opportunity to get their foot in the door on this issue. We will keep you updated as the date gets closer.

#### Ask Sen. Gillibrand for Her Support

Help reverse the onerous "waters of the U.S." rule that was recently finalized by the EPA and Army Corps. NAHB was instrumental in the passage of H.R. 1734 in the House of Representatives in May. NYSBA asks for your help to pass companion legislation in the Senate. S.1140, the Federal Water Quality Protection Act, will force the EPA and Army Corps to withdraw the final rule, address many procedural flaws associated with the rule, and re-propose a rule that incorporates sound science and important stakeholder input. NYSBA has set up a Voter Voice campaign to contact Senator Gillibrand (easily available from NYSBA).



## INTERIOR AND EXTERIOR SIGNAGE **DESIGNED, MANUFACTURED AND INSTALLED**

Acrylic, Aluminum, Brass, Stainless, Banners, Lightboxes, Canopies

718-926-1604 // 718-532-8636 // 646-584-4499 Fax: 516-565-1486

> email: signguysnyc@gmail.com www.signguynyc.com



FAMILY OWNED AND OPERATED SINCE 1976







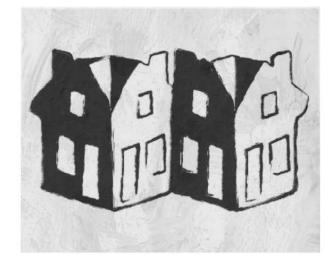
RENTALS

DBE & WBE CERTIFIED

SECURITY BOOTHS MODULAR BUILDINGS MODULAR CLASSROOMS OFFICE TRAILERS STORAGE CONTAINERS CONTAINER OFFICES



1.800.640.8844 1950 Lakeland Ave., Ronkonkoma, NY 11779 LYNN@Cassone.com



### The Art of Condo/Coop Law.

For 50 years, our Condominium and Cooperative Practice Group, one of the most active in the nation, has represented local and national developers and converters in the filings of condominium and cooperative offerings. Our talented attorneys represent every type of residential and commercial condominium, cooperative, homeowner association development and timeshare community. During these challenging times, it's more important than ever to turn to our highly experienced attorneys for help with every aspect of your community association development.



Proven attorneys. Powerful advocates.

East Meadow, NY: 516.296.7000 | Hauppauge, NY: 631.979.3000 Saddle Brook, NJ: 201.778.3424

www.certilmanbalin.com

Certilman Balin Adler & Hyman, LLP

-11 —



- www.packardsquare.com 718.707.9449
- 24-Hour Doorman Spectacular City Views Refrigerated Storage Residents' Lounge Billiards
- WiFi Access Fitness Center Roof Deck Private Balconies in every residence On-site Parking
  - 4 Minutes to Midtown 3 Blocks to N, R, W, E, V, 7, G Subways



Apartments available in Long Island City, NY 11101

CLAMPA Built, owned and managed by Ciampa Organization