

The Importance of Workers Compensation for Condominium, Townhome, and Homeowner Associations

Total Insurance Services

Many association Boards of Directors, in an effort to help keep assessment costs low, decline the purchase of a workers compensation policy for the association. The reasoning for this is often times based on the presumption that the association has no employees so a workers comp policy is not needed. This couldn't be further from the truth! The following are scenarios in which a workers comp policy covered an association that had NO EMPLOYEES:

1. An association hired a contractor to replace the roof of their building. The project was estimated to take approximately 2 weeks time. Due diligence was performed by the association when they requested & received a certificate of insurance from the contractor prior to the work commencing, proving that the contractor had met all insurance requirements **on the day the certificate was printed**. Unfortunately, nine days into the project, one of the contractor's employees fell off the roof of the association's building. What the association **didn't** know was that the contractor had actually failed to pay his insurance premium and his policy was cancelled the day before his employee fell from the roof. When the employee realized that he could no longer file a claim for workers compensation insurance through his employer, he sued the association for damages. Fortunately, they had purchased workers compensation, which covered all losses suffered by the contractor's employee.
2. A couple of volunteer landscape committee members were out performing their annual fall planting & clean-up. One of the volunteers was walking with a garbage bag filled with leaves and failed to see a large hole in the ground in front of him. He fell into the hole, breaking his ankle and leg in several places. Aside of his hospital visit, he was also out of work for 2 weeks. If it weren't for the association's workers compensation policy in place, this **volunteer** would have had to use his personal health insurance to cover the injury and he would NOT have been compensated for his time off from work!

A workers compensation policy not only covers injury to paid employees of the association, but **can also cover losses for any non-compensated volunteers of the association (Board members, committee members, etc.) if properly endorsed.**

Further, it will also pay benefits to the spouse and/or dependent children of that volunteer in the event that there should be a death or long term disability caused while the volunteer was working on behalf of the association.