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5 Risks

Every Property Manager Must Protect Against

Beckerman &Co

Introduction

In this report we will cover some of the situations Property Managers must be covered for in order to mitigate risk. In the event these cases arise, coverage for things like discrimination, by-law litigation, and firing to name a few will be covered. These factors are critical to ensuring your business is properly covered and prepared for any action taken against it.

# 5 Risks Every Property Manager Must Protect Against

1. Directors and Officers Liability.

If your property has a board of directors you will need directors and officers (D&0) liability insurance. Typically D & O insurance provides the following coverage breach of fiduciary duty, assessment disputes, discrimination, by-law litigation, and more.

2. Business Income, Loss of Rents & Extra Expense

1. These three coverages often combine into one called *business income*. The coverage is designed to insure the property owner for the peril of lost income (rent) as a result of a covered loss. For example, if a fire destroys 55 units of a 500 unit complex the owner will not be able to collect 11% of rents. The insurance will provide funds to replace the lost rent during the time of recovery.

3. Tenant Discrimination

This is one of the fastest growing trends in the property management area. Coverage will pay for Tenant Discrimination, Harassment and Wrongful Eviction Liability. Acting in good faith may not always be enough for a tenant or former tenant to feel like they have been discriminated against.

4. Builders Risk Insurance

Many property management companies are involved in constructing new or additional buildings. Many property managers make the mistake of having contractors purchase builders risk insurance. Don’t make this mistake. As the owner of the policy you have total control over any claim settlement and can receive claims checks directly from the insurance company.

5. Employment Practices Liability Insurance (EPLI)

1. We live in a very litigious world. If you have employees you are at risk of being sued for discrimination, firing or even failure to hire. EPLI coverage will defend you and pay any damages awarded that are covered under the policy.

Summary

As you can see, property managers have unique risks that require a partnership with an agent that understands your industry. Beckerman & Company will always strive to provide all of our valued clients with the finest in customer service. Beckerman & Company provides commercial insurance to all of New Jersey, including New York, New Jersey, Connecticut, and Pennsylvania.

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