



Stillman Property Management implements new risk transfer program

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Stillman Property Management, a full-service property management company, has implemented a new risk transfer program to help mitigate risk for its clients by ensuring that contractors who work on its properties not only supply the proper insurance documents, but also provide owners with contractual indemnification in the event of an injury or property damage caused by the contractor.

Developed in cooperation with Risk Reduction Services, LLC, the new program protects property owners by triggering "additional ensured" coverage as required in the fine print by most contractors' insurance policies. Without these risk transfer documents, property owners could be exposed to costly liabilities that should be borne by the contractors.

"A management company should be looking out very carefully for its clients not to be exposed to risks that are the responsibility of the contractor," said Philip Schonberg, director of property management at Stillman Property Management. "The problem is that the complexity of various insurance policies, service agreements, and documents is much greater than any typical management company could effectively navigate. That's what makes Stillman different. We are on the cutting edge of new technology, programs, and services designed to protect the interests of our clients."

Risk Reduction Services initiated the new program by notifying all contractors in the Stillman Property Management database that in order to remain an approved contractor, they would have to submit new, more detailed proof of insurance certificates and sign documents providing contractual indemnification for the property owners. It was a painstaking process, but contractors realized that if they did not cooperate, they would not be cleared to work with clients of Stillman, one of the largest management companies in Westchester County and the surrounding region, Schonberg said.

In addition, the contractors are continually rated based on criteria for zero, one, two, three or four stars. Stillman Property Management makes every effort to only utilize contractors with three or four stars - the highest compliance ratings. Risk transfer documents and ratings for nearly 1,000 contractors are tracked in an online database, which is referenced any time a contractor applies to work on a Stillman-managed property. All new contractors must comply with appropriate risk transfer requirements in order to be hired for a job.

"A poorly executed contract can lead to a lot of headaches and a lot of unnecessary expenses," Schonberg said. "We at Stillman have taken it upon ourselves to institute this program in a continued effort to protect our clients from unnecessary exposure."