

MANNTM REPORT

APRIL 2016

THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE



SKYLINE RISK MANAGEMENT

INSURANCE FOR TODAY'S BUILDERS

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Skyline Risk Management A Sensible Approach to Insurance for Construction Projects

Skyline Goes About It In The Right Way

(L-R) Anthony Kammas, George Menexas, Yannis Legakis, Antonia Sellis



Construction is booming in New York City. In 2015, construction more than quadrupled to 88 million square feet, up from 21 million square feet in 2009. It is a phenomenon that is familiar to many New Yorkers who on a daily-basis must weave their way through scaffolds and wait patiently as trucks bearing heavy equipment cross their paths.

The construction boom, however, has cost us quite a bit. Accidents have nearly doubled since 2009, as have regulations and requirements, putting more and more responsibility on general and subcontractors for injuries to employees and passers-by. Most prominent is the state Scaffold Law which imposes “absolute liability” for elevation-related injuries on contractors and property owners engaged in construction work. Absolute liability means that the contributing fault of an injured worker, such as failure to use provided safety equipment or gross negligence, is virtually irrelevant in court.

The result has been an astronomical increase in insurance costs, in turn driving up the construction costs. Today approximately 10% to 20% of a development project’s budget goes toward insurance. Construction companies and subcontractors report premiums almost tripling.

The situation has given rise to a new breed of insurance broker. Skyline Risk Management understands the demands of today’s business world and provides the expertise necessary to give contractors and developers an edge in the marketplace. A leader in construction and real estate insurance, Skyline Risk Management was founded three years ago by partners with years of experience in helping both builders and other real estate professionals understand their unique needs in order to properly structure their company’s insurance programs. The firm’s seasoned professional leadership includes partners George Menexas and Anthony Kammas, surety partner Yannis Legakis and benefits partner Antonia Sellis.

In addition to construction, founding partner George Menexas has a wide array of operational experience in various industries to help better assess a client's risk management. Anthony Kammas is a board member of the Professional Insurance Agents of New York, the Hellenic American Chamber of Commerce and the Hellenic American Leadership Council, and has extensive real world start-up experience. Yannis Legakis is a 14-year member of the National Association of Surety Bond Producers and has written topical articles in several national publications. Antonia Sellis is a health and life insurance specialist, focusing on self-funded health plans and is certified as a Medicare Producer on the New York State Health Exchange. Manoli Kalamotousakis serves as vice president and general counsel.

New York-based Skyline Risk Management is licensed in nine states and territories including New York, Connecticut, New Jersey, Pennsylvania, Maryland, Delaware, the District of Columbia, Virginia, and Florida. In 2015, new construction costs in New York City for residential projects grew to an all time high of \$18 billion, almost double the \$10 billion spent in 2014. Skyline Risk Management procured insurance for almost \$1 billion of that total cost in 2015.

Disaster can strike at any time. Skyline Risk Management has a clear mission in providing the most comprehensive and personalized real estate and construction insurance. The company goes about its business in a methodical way, thoroughly reviewing each client's organization, its current coverage, and its operations including five-year plans. Skyline Risk Management manages and customizes insurance coverages for each of its customers by means of risk identification, risk analysis, insurance plan design, implementation and review.

"Unfortunately, many development projects – over 30 percent of them according to some estimates -- are not properly insured," says Menexas. "The time to find out if your insurance coverage is adequate is before something happens that will test whether it is adequate or not. Skyline Risk Management is dedicated to providing proper coverage while omitting needless coverages and costs, for all of our clients. We really work hard for our clients and like to treat the relationship as more of a partnership."

While most construction coverage offers only property casualty, Skyline Risk Management specializes in customizing insurance programs through the use of various alternative risk products and services such as captive formation, owner controlled insurance programs (OCIP) and contractor controlled insurance programs (CCIP), often referred to as "wraps," self-funded plans, safety services, subcontractor default, professional liability, pollution liability, owner's & contractor's protective liability (OCP), railroad protective liability (RRP), builder's risk insurance and equipment floaters to insure against stolen equipment.

"Skyline Risk Management is always looking for ways to help clients by lowering insurance costs and providing the best coverage possible, dollar for dollar, measured against goals including optimizing employee retention and increasing bonding limits," says Kammas.

Many companies have seen the effects of claims, a lot of them huge, by injured workers and bystanders. As a result of this pressure and others, insurance premiums have risen in New York in recent years. "Companies who have had these experiences have found that going to a company like Skyline Risk Management has helped them get the best value for their insurance premium dollar," says Legakis.

With each phase of development bringing new challenges and risks, every contractor should be properly insured. By tailoring coverage around specific anticipated plans and needs, Skyline Risk Management can optimize coverage and leave the savings on the bottom line. Thus, the contractor is protected for the duration of the construction activity.

In today's world, legal action by a client or customer can almost become inevitable. Whether there was an error committed by the company or not, most often these claims are not covered under a standard liability policy. Lawsuits can happen at any time, without warning, so it is imperative to take the necessary steps to prepare for such an event because, even if the company has done nothing wrong, defending oneself costs precious time and money. The right insurance can mitigate these risks.

"Legal requirements exist in most states mandating certain kinds of insurance coverage such as worker's compensation which not only is an important part of your business's insurance coverage, in most states it is required by law," notes Sellis. "Skyline Risk Management is well equipped to assure all such coverages are adequate as provided by law."

"By helping you identify your state's rules and regulations, Skyline Risk Management can help you cover work-related losses pertaining to personal injury, lost wages, and medical care in the most effective and compliant ways possible."

"Many insurance firms are insuring every business with standard generic coverage, rather than customizing coverages based on the client's size and growth. We've paved the way for completely personalized insurance programs that cover every aspect of a company's current and future needs," says Menexas. "With every client we have the chance to help build something remarkable and never take that opportunity for granted."

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