



INSURANCE 101 & ACCIDENT INVESTIGATION

MEGAN DAVIDSON

47th Annual AHMA-PSW Conference & Expo
May 19 – 21, 2024



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Your Speaker: Megan Davidson

- More than 30 years in insurance
- CRIS [Construction Risk Insurance Specialist] Designation
- ARM [Associate in Risk Management]
- B.S. in Economics
- More than 25 years focusing in protecting multifamily – primarily affordable risks, as well as supportive housing.
- Active member of NAHMA [National Affordable Housing Management Association], member of AHMA-PSW, AHMA-WA, and Rocky Mountain Heartland AHMA
- 9-year board member of the NAHMA Educational Foundation

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THE ALLIANT STORY
Premier Specialty Broker


A national brokerage firm founded in 1925. Now headquartered in Newport Beach, CA

Entrepreneurial. Client focused. P&L organized by industry sectors, not geography.


Brokerage leader in numerous sectors, including Real Estate




9,000+
Employees



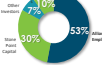
3.5 mil multifamily units
Protected annually



110+
Offices Nationally




\$26 Billion
Premium Volume



53%
Employee Owned

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Insurance: Why should you care?

- ❑ Property managers are responsible for day-to-day repairs and ongoing maintenance, security and upkeep of the properties they manage.
- ❑ Protecting the properties you manage against avoidable claims results in:
 - ✓ Preventing avoidable injuries – whether they are suffered by employees or residents.
 - ✓ Avoiding claims that result in time and productivity loss, as well as the potential loss of profits to both the property owner and management company.
 - ✓ i.e. units out of service while under repair, as well as potential loss of tax credits in some cases.
 - ✓ Making property owners happy (and ideally loss-free) keeps them as long-term customers, and provides your management companies with the stability to take care of their own employees.

Claims = increased premiums and decreased profitability
= unhappy property owners.

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HABITATIONAL INSURANCE MARKET:
Current climate and challenges

PROPERTY MARKET:

- Distressed "Sellers" market: Reduced number of carriers writing primary habitational as well as excess liability, and limited markets willing to write an entire portfolio
- Carriers are looking to ensure that properties are insured to current replacement value – so that rates are adequate for the risk
- Carriers want higher deductibles to manage frequency claims
- Climate/catastrophe-related losses such as windstorms, hail, freezing temperatures and wildfires have significantly affected the property market

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HABITATIONAL INSURANCE MARKET:
Current climate and challenges

LIABILITY MARKET:

- Distressed "Sellers" market: Reduced number of carriers writing primary habitational as well as excess liability, and limited markets willing to write an entire portfolio
- Physical assaults on premises via strangers or acquaintances
- Claimants quick to litigate
- "Nuclear" verdicts regularly breach primary limits, making Excess Liability/Umbrella coverage more scarce – and expensive

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Whose responsibility is safety?

Everyone's!



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What is wrong with these pictures?



What are the outcomes from a Liability perspective?

What are the outcomes from a Property perspective?

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What is wrong with this picture?

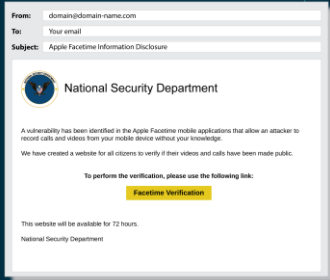


What could possibly go wrong?

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What is wrong with this picture?



What should you do?



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What is wrong with this picture?

URL spoofing happens when scammers set up a fraudulent website to obtain information from victims or install malware on their computers. For instance, victims might be directed to a site that looks like it belongs to their bank or credit card company and be asked to log in using their user ID and password.



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What are the consequences if...

- Balcony railings are not less than 4" apart?
- Garbage is piled against the outside of the building, rather than in the dumpster?
- Windows do not shut/lock completely?
- Bed bugs, mice/rats, cockroaches or other vermin are not addressed immediately?
- Broken locks are not fixed on building entrances?
- Uneven surfaces on flooring are not addressed as soon as staff is made aware?
- Building heating / cooling systems are not repaired as soon as management is made aware?



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Fact-finding NOT Fault-finding

- Involve anyone who can help
- Interview the injured employee
- Interview witnesses
- Visit the scene
- Evaluate the damage



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Work Environment

Since equipment, material, people, and the standard operating procedures must all exist within a specific physical environment, adverse conditions in the work environment must be considered in an accident investigation:

- o Air
- o Noise
- o Lighting
- o Work Surfaces
- o Temperature
- o Wet Floors



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The Six "W" Questions

- Who
- What
- When
- Where
- Why
- How



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Systems Approach to Incident/Accident Investigation

- Preserve/document the scene.
- Collect information.
- Determine root causes.
- Implement corrective actions.



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Investigation Preparations

- Secure the area where the accident occurred.
- Gather preliminary facts from the injury/incident report.
- Identify witnesses.
- Detail environmental conditions: temperature, ice, snow, humidity, noise, etc.
- Start a list of the six "W" questions.



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Investigation Process

- Control the accident scene.** Secure the site and ensure that medical services have been provided and that all hazards are being abated.
- Check the site and circumstances of the incident** thoroughly before anything has been changed or removed. Take numerous photos; include both close-up images and broad view images that place the close-up images in context (refer to Appendix C of handout).
- After treatment, discuss the incident with the involved employee(s).** Talk with those who saw the accident and others familiar with the conditions immediately before and after the incident occurred.



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Investigation Process

Reconstruct the events which resulted in the accident. Consider all possible causes. Look for the unsafe act as well as the unsafe conditions which separately, or in combination, were contributing factors.

Ask "Why?" repeatedly. Identifies cause and effect relationships. Each answer forms the basis of the next "why" question.

Determine the root cause of the incident. The smallest detail may point to the real cause. Ask "Why?" repeatedly.

Why?



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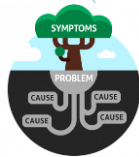
Determine Root Causes

List the facts in chronological order:

- oEquipment
- oMaterial
- oPeople
- oStandard operating procedures
- oEnvironmental conditions

Brainstorm with others to draw conclusions that are supported by facts.

Often there is more than one root cause.



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Develop an Action Plan

Develop a S.M.A.R.T. goal and related Action Plan to correct the hazardous or unsafe conditions identified.

Assign persons responsible for each action .

Establish due dates.

Get management commitment for the corrective action plan.

Document each action above.

S-pecific
M-easurable
A-greed Upon
R-ealistic
T-ime-Based



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Risk Transfer

For claims caused by or contributed to by others on our property (contractors)

Always obtain certificates of insurance from vendors and ensure they are insured to perform work being done

Pay special attention to vendors such as pool service, roof work, landscaping, electrical service work

Strive to have contracts in place and not just work orders. Contracts offer a greater layer of protection

Have corporate answer questions about contract review and appropriate indemnification language

Ensure contractors use their equipment and not the apartment's. Ladders, hand tools, etc.

Track COI's (Certificates of Insurance) for expiration dates



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Q & A

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