

# Condo groups need worker's comp

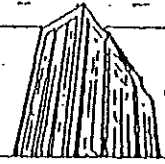
CONDOMINIUM associations could face serious financial problems if they fail to carry worker's compensation insurance policies, according to an attorney and president of a north suburban property management firm.

Many condo associations hire independent contractors to handle maintenance rather than employing staff janitors, said Steven R. Heuberger, president of Villa Management Ltd., Vernon Hills.

"Associations often take the position they do not need worker's compensation insurance [because] there is no employee-employer relationship," Heuberger said. "This approach would seem logical. However, it is not true in certain instances."

The Worker's Compensation Act of Illinois holds that anyone who orders work is liable to pay compensation not only to its own employees but also to those of independent contractors who do not carry insurance, he said.

A condo association can run afoul of this law



## Condos

when it hires an independent contractor to perform carpentry or snow plowing work, and the contractor brings a helper.

"UNDER THE LAW, if the contractor were injured on the job, no problem would arise [because] no employee-employer relationship existed between the contractor and the association," Heuberger said.

"However, if the contractor's helper were injured, the law would hold the association responsible for benefits payable under the [worker's compensation] act."

Benefits could include temporary total disa-

blity payments, payment of all medical and hospital bills and permanent disability awards, Heuberger said.

"Depending on the nature, extent and duration of the injury, the financial obligation of the association could be in the hundreds of thousands of dollars," he said.

"How can this risk be avoided? The first thing to do is to demand proof from the independent contractor that he carries worker's compensation insurance."

If the contractor carries no insurance, he must work alone. Making sure he does, though, can demand constant surveillance.

"A safer alternative would be for the association to purchase its own policy of worker's compensation insurance, even though it technically has no employees," he said. "The premium would probably be low [because] an audit of the payroll would show no wages paid, and the association would be rated as a low risk-type business."