

The cost of tragedy

As the number of construction accidents soars, building in NYC is proving riskier than ever

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The following is an excerpt from a feature story in *The Real Deal* featuring Conner Strong & Buckelew's President of New York Operations, Bill Motherway. To read the full piece, please [click here](#).

In a city whose skyline might be dotted with more than 400 cranes on any given day, construction safety has always been a particularly fraught issue. With every crane accident come investigations, criticisms and a wave of regulations designed to ensure that the same lapses never reoccur. Yet the fact remains that New York City has seen a disturbing surge in the number of workers hurt or killed on construction sites.

While, undeniably, the greatest cost is to the workers and families impacted by these accidents, the city's real estate industry has also incurred a lasting impact, from rising insurance premiums to costly litigation to tightening safety regulations that often amount to longer construction times.

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New York is widely considered one of the costliest places in the United States to write construction risk. By law, most contractors must get project-specific general liability insurance (the exceptions are single- or two-family homes and projects that don't rise above 35 feet).

Bill Motherway, president of insurance brokerage Conner Strong & Buckelew's New York operations, who worked as a risk manager for 20 years at Tishman Construction, said insurance usually costs between 8 and 10 percent of a project's total cost, but three or four years ago, the range was between 5 and 6 percent. This cost is usually built into the project's contract and largely falls to the developer/owner. In 2011, the city increased general liability coverage for projects involving tower cranes to \$80 million from \$10 million, following two fatal crane collapses in 2008.

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