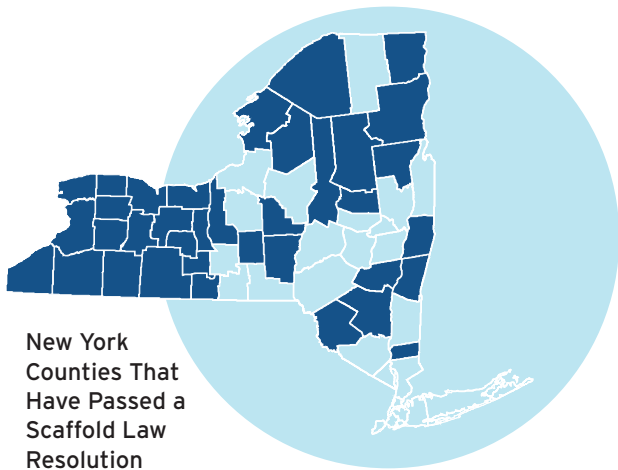


# QUICK FACTS ON SCAFFOLD LAW REFORM

**What Is It?** The Scaffold Law, (Labor Law 240/241) was first enacted in the late 19th century. It holds property owners, employers, and contractors **ABSOLUTELY LIABLE** for ‘gravity related’ injuries that happen on the job. That means there is virtually no defense from a lawsuit, even if the worker’s gross negligence contributed to the accident. Even parties that had no supervisory control over the work are held liable. New York is the only state that still keeps this law on the books.<sup>2</sup>



## The Scaffold Law COSTS TAXPAYERS

The Scaffold Law costs taxpayers \$785 million annually.<sup>3</sup>

A Port Authority official estimated that the planned \$13 billion tunnels under the Hudson River as part of the Gateway Project will incur between \$180 and \$300 million in additional insurance costs.<sup>4</sup>

More than half of the top 30 highest settlements resulted from Scaffold Law claims, and of those, 25% were against public entities.<sup>5</sup>

The Scaffold Law is estimated to have added \$200–\$400 million in additional costs to the construction of the new Tappan Zee Bridge.<sup>6</sup>

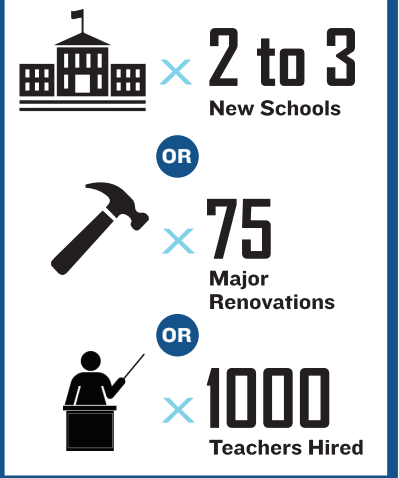
To date, 33 county legislatures in New York—more than half of the state—have passed resolutions calling on the state government to reform the Scaffold Law [see map].

“[The Scaffold Law] imposes liability even on contractors and owners who had nothing to do with the plaintiff’s accident”

—Court of Appeals Judge Robert Smith<sup>1</sup>

SCAFFOLD LAW  
COST

Annual Cost of  
The Scaffold Law  
on New York City  
Schools



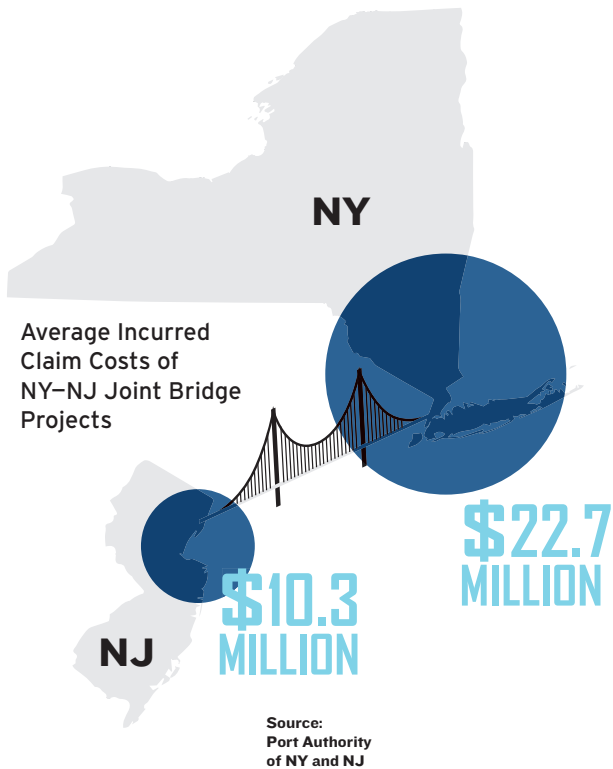
## The Scaffold Law HURTS SCHOOLS

The New York School Boards Association estimates the Scaffold Law costs upstate schools \$200M annually.

In 2013, the New York School Construction Authority (SCA) was nearly unable to get insurance for its \$2 billion capital program, despite an excellent safety record. The new insurance costs are \$240M for 2014, nearly triple that of the previous year.<sup>7</sup>

The SCA’s increased insurance costs are equivalent to 8-10 new schools over a 3 year period.<sup>8</sup> Currently, there is a shortage of nearly 50,000 pre-K seats in NYC.<sup>9</sup>

Higher insurance costs for the SCA jeopardize the future of their Owner-Controlled Insurance Program, which provides insurance to over 800 M/WBE firms. Without this program, hundreds of M/WBEs may be put out of business.



## The Scaffold Law INCREASES CONSTRUCTION COSTS

The number of Scaffold Law cases has increased 500% since 1990, even though the rate of injury has decreased.<sup>10</sup>

Liability costs on one joint NY-NJ bridge projects are more than double on the NY side [see graph].

New York's general liability insurance costs, the highest in the nation for construction, are directly correlated to the Scaffold Law,<sup>11</sup> and the number of carriers that write general liability policies in New York continues to decline.<sup>12</sup>

The Scaffold Law costs the private sector an estimated \$4.19 billion annually.<sup>13</sup>

When the Trial Lawyers tried to reinstate the Scaffold Law in IL after it was repealed, labor unions refused to back the effort because they did not want to hurt the industry.<sup>14</sup>

The Regional Plan Association notes the Scaffold Law as a factor that drives up the cost of transportation projects.<sup>15</sup>



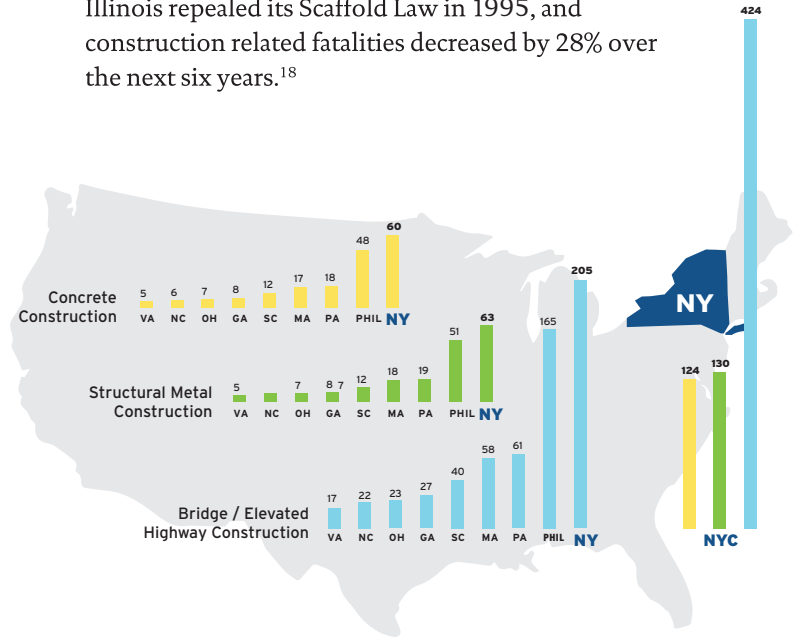
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## The Scaffold Law HURTS WORKERS

The Scaffold Law is associated with an estimated 670 additional construction injuries each year.<sup>16</sup>

Reforming the Scaffold Law would create over 27,000 jobs in the construction industry.<sup>17</sup>

Illinois repealed its Scaffold Law in 1995, and construction related fatalities decreased by 28% over the next six years.<sup>18</sup>



The above map shows NY contractors' general liability loss costs (severe heights exposure) versus other states. Data sourced from the Insurance Services Office.

## New York's Insurance Crisis

Scaffold Law claims continue to drive insurance companies out of the market as losses result in higher premiums and more coverage exemptions.<sup>12</sup>

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