



*Are you
Covered?*

Honest! Your Resident Doesn't Care That It's Not Your Fault -- And This Should Scare You

By Susan Saldibar

First, a couple true stories from [RealPage](#) (a Senior Housing Forum partner).

An insurance-verified plumber was called in to a community to fix a broken pipe. He soldered the pipe to seal it up and left. All was well, except for the soldering area, which started to smolder, eventually catching fire and damaging the property of a resident.

An insurance-verified carpet cleaner was called in for a routine cleaning. The equipment had a large water container which was heavy. Rather than lug it downstairs, the vendor drained the dirty water in a basin near the stairs. But this was winter and, overnight, some water that had dripped out on the floor became slippery. A resident walking out, slipped and fell.

In both cases, as expected, claims were filed by the residents. Neither community panicked, knowing they used only verified plumbers with insurance. But, wait! That insurance only covered the work while the vendors were on-site. Issues after the fact were not covered. Uh oh. Now what?

I spoke about this with Tracy Castleman, RealPage's Senior Director of Operations and Risk Management for Vendor Credentialing. Tracy tells me that it is stories like these, which have prompted management companies, such as senior housing, to appreciate the importance of utilizing outsourced vendor credentialing services. And she really opened my eyes as to a major misconception senior living community operators have about vendor credentialing proper insurance coverage.

"A lot of communities think that just collecting the insurance certificate is sufficient," Tracy told me. "True, it will identify limits, the types of coverage they have, whether it's the general liability, worker's comp and so forth. But what it doesn't do is ensure that you are adequately protected." So what did both those communities need? A "Policy Endorsement". Or, more specifically, the right kind of endorsement.

If you don't know what "policy endorsement" is or how to get it, you are at a greater risk than you realize.

I'm no expert in insurance. As a layperson, I had an altogether different understanding of what an endorsement is. As it turns out, I'm not alone. Tracy told me that senior community operators often give her puzzled looks when she mentions the process of endorsement.

So what is a policy endorsement? And why do senior living communities need the correct kind?

"To explain an endorsement, I compare it to checking accounts. I may know that you have one. I may even know the number. But that doesn't mean I get to use it. Not until my name is added to your account." In a nutshell, an endorsement is a policy form or addendum that gets added to the vendor's insurance policy that lists your management company and the property owner as an "additional insured". That way, if anything goes wrong, you are able to use their insurance, not yours, to resolve the claim. Makes sense.

But does every type of endorsement include coverage after the work is done?

Here's the catch. There is more than one kind of policy endorsement you need to have to be fully covered. Tracy used plumbers as an example. You need to have an endorsement for the period of time that the plumber is actively working on-site. But you also need an endorsement after the completed operation, to cover any issues that crop up after that plumber leaves.

"And, remember, the resident doesn't care that it's the plumber's fault. They're going to file a claim against your community," Tracy explains. "So, you want to make sure that you have the proper endorsement with the right 'additional insured' designations ready to kick in so that you can use that policy to defend that claim."

Of course, a major benefit, Tracy tells me, is that you don't have to use your own insurance policy and risk having your rates increased. You can protect your own policy or premium and know that, if you do get increases related to claims, they are for work directly under your control. You're not paying more because of third party vendor blunders!

The devil is in the details. Time to check them and find out if you're endorsed. And what for...

So here's the challenge for senior living community operators. Knowing how to read those endorsements and having the expertise to interpret them is not something you are necessarily trained to do. You are an expert in leasing space and providing excellent care for your residents, but not in interpreting a lot of complex insurance documents.

That's where RealPage can help. They live and breathe vendor credentialing and endorsements. As Tracy explains, their risk management expertise and state of the art software enables them to evaluate endorsements, including determining whether or not both ongoing and completed operations coverage has been afforded to the additional insured parties. They also have deployed their newest tool, the Credential Key, which expedites the onboarding of new vendors, with all the necessary coverage. There are lots of benefits to this that you will find helpful, and which I'll cover in the next article.

For now, however, you might want to scour your vendor documents. Are your vendors properly credentialed? Do you have the necessary endorsements? Find out now, before something starts to burn, leak or fall down. The clock is ticking...

You can download RealPage's detailed [presentation](#) on vendor credentialing here.



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