

## Community Association Managers should INSIST that ALL of their accounts carry an *“If-Any” Workers’ Compensation Policy*.

Here’s the Appeals Court Case that PROVES IT!

**“Heiman v. CA Workers’ Compensation Appeals Board (2007) 149 Cal.App.4<sup>th</sup> 724”**

### CASE FACT PATTERN OVERVIEW

- Montana Villas HOA was managed by Pegasus Management (Sole Proprietorship owned by Heiman).
- Heiman/Pegasus, at the direction of the Board, hired Hruby to install rain gutters.
- On the first day of the job, Hruby’s employee (Aguilera) touched a high-power line with a rain gutter and was severely and permanently injured.
- The Workers’ Compensation Appeals Board (WCAB) original ruling was that Heiman/Pegasus was solely responsible for the Workers’ Compensation benefits (YIKES!).

### HEIMAN took the WCAB to Court to challenge that ruling

#### DISPOSITION FROM COURT REPORT

“Hruby and Pegasus were dual employers of Aguilera that are jointly and severally liable for Workers’ Compensation under the Labor Code. Pegasus was also the agent of the Association, which was a separate legal entity that is liable for Workers’ Compensation as the principal. Pegasus and the Association were not owners or exempt employers under sections 3351(d) and 3352(h). The WCAB’s decision awards Aguilera Workers’ Compensation to be paid solely by Pegasus. We reject that limited conclusion and hold that *Hruby is jointly and severally liable with Pegasus and the Association is also liable as Pegasus’ (principal)*. To the extent that WCAB’s decision is inconsistent with our conclusion, it is annulled. The award will otherwise be affirmed.”

Full case description can be found at:

<http://www.davis-stirling.com/MainIndex/CaseLaw/HeimannWorkersComp/tabid/1943/Default.aspx#axzz3cmAPzN8N>

*If the Association does not carry an “If-Any” policy, this loss could land on the Management Company’s WC policy, significantly INCREASING PREMIUMS!*

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