

My name is John O'Connor and I have been a retail insurance agent in the Portland area for the better part of three decades. During that time, I have become a specialist and would probably be considered an expert in the area of construction, real estate, habitational and property management.

The landlord and property management sector has been dramatically affected in the past several years with the rapidly changing and evolving landlord/tenant laws. Throw the impact of the pandemic and the state orders on top of that and it has been a real problem for many property owners and property managers to do their best to navigate through all of the complications.

A key to any property management company is their ability to purchase comprehensive and affordable Errors and Omissions insurance, it is a necessary coverage for them to stay in business. Given the issues referenced above, in the past few years the market for this line of insurance has shrunk to a select few and has negatively affected availability and cost. In addition, the forms are being amended based on certain claims and case precedents that further limits the benefits afforded by the policies that are available.

The utility billing issue has presented one of the greatest challenges to date. Most people I talk to struggle just to understand what the law says and what is needed to comply with the law. Furthermore, if there is a claim filed against a property manager, even if the claim does not suggest any improper or fraudulent billing accusations (but rather procedural violations), there are express exclusions in most if not all policies that limit causes of loss (billing) and what damages are covered (no penalties or fines are indemnified, for example). In other words, often defense is the only indemnifiable benefit of the policy, which is of little consolation given the expensive cost of the policy itself. For a owner who manages their own properties, there are even more restrictive clauses.

The general feedback I get is that property owners feel like a technicality is being exploited and causing them severe if not existential financial concerns. They perform a vital role in our city right now, and that role often goes unrecognized (and too often results in their being unfairly demonized). No one disputes the need for transparency and for the rights of tenants to know exactly what they're being billed for, but common sense says that the remedy should be more commensurate with the harm done.

I am hoping that a reasonable adjustment to this somewhat draconian penalty can be considered.

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