Margules Properties, Inc.

November 12, 2025

To whom it may concern:

I am the owner and operator of approximately 300 units in New York City; predominantly walk-up buildings in Manhattan, Brooklyn and Queens.

Our insurance expense is up 29% since last year; 266% since 2019.

The main issues we contend with, and which are reflected in our premiums, are that we have slip and fall suits which are mostly bogus, but insurance companies settle out of court because they want to avoid risk of a jury trial. While our losses (loss runs) are minimal, we are experiencing impossible rate hikes, reflecting the overall market.

In addition, we have ADA suits where we pay $10,000-$20,000 for the lawyer to go away even though there is little to no fault on our part but even if there is a modicum of fault, lawyers get paid their legal fees which could be tens of thousands of dollars. These are generally not even covered by insurance companies. Lawyers sue not to gain a judgement, but to get paid their supposed legal fees.

The biggest reason insurance expenses are going up is because of runaway jury awards. Minor slips and falls are sometimes getting 7 figure settlements and insurance companies (those still willing to write NY State policies) are increasing rates tremendously.

This is unsustainable.

Solutions:

1. Have onerous penalties for false filings which would help to curtail fraud;

2. Have a time period to correct issues brought up by attorneys in ADA claims before court kicks in, which will enable us to correct any violations without incurring unreasonable attorney fees;

3. Have guidelines for jury awards for different infractions;

4. Allow us to renovate buildings and apartments to upgrade dangerous wiring and eliminate lead paint issues.

5. Establish a state-run reinsurance program for rent-stabilized housing. It is time for the state to help landlords who bare the full burden of this archaic system.

These recommendations will go a long way toward alleviating the rampant insurance cases - most of which are unnecessary - and clamp down on fraud and undeserved penalties.

Please feel free to contact me at the email, address or phone number below.

Thank you for your time.

Sincerely,

Eric S. Margules

381 Park Avenue South Suite 1420 New York, NY 10016 (212) 684-7979 Ext. 19

EMargules@MargulesProperties.com