

Risk Control Bulletin

Effects of the New York City Boiler Code Change

The New York City Department of Buildings passed a new code affecting owners of low pressure boilers, effective July 1, 2008. (NYC Code 28-303). Subsequently, the Commissioner of the Department of Buildings passed a new rule implementing the new code with respect to low pressure boilers. (1 RCNY 101-07(c)(5)). Under this new code, building owners will have 45 days to correct and certify correction of any defects identified during annual inspections. There will also be additional changes to the fine structure. Fines will be implemented for non-filing of the certification of correction of identified defects and fines will be increased for non-filing of the annual inspection report.

Beginning January 1, 2009, failure to file an annual inspection report will result in a full penalty of \$1,000 per boiler per year for non-filing. Building owners who fail to make repairs within 45 days will also be fined. Penalties for corrections are calculated on a monthly basis beyond the 45 day grace period and will be \$50 per boiler for each month late. For the 2009 inspection year, inspections must be completed between January 1 and November 15, 2009. The new inspection cycle will run from November 16 to November 15 of the following year, beginning November 2009. When insurance companies inspect boilers, they are required to pay a fee on behalf of the owner. Insurance companies will seek reimbursement from their policyholders for this fee.

Under the new code, the Department of Buildings requires that a qualified inspection organization certify the correction of identified defects (see Affirmation of Correction Form NYC BO-13). The building owner must then file this form with the city within the 45-day window. Authorized inspectors that are permitted to conduct re-inspections include insurance company representatives, master plumbers, high pressure boiler operators, and oil burner equipment installers. The simplest way for building owners to comply with this requirement is to request that the repair firm that corrects the defects, assuming they are an authorized inspection company, sign the Affirmation at the time of the repair.

CNA can also conduct re-inspections to certify correction of identified defects, if CNA did the initial jurisdictional inspection. CNA must receive the re-inspection request at least 10 days before the 45 day grace period expires. To schedule a re-inspection, contact CNA at 973-540-3639. Owners will be responsible for compliance and any fines that they receive.

CNA is a recognized major underwriter of Equipment Breakdown, and backs its coverages with a highly trained staff of risk control consultants and engineers. CNA's capabilities include risk evaluations, equipment installations, maintenance programs and practices, operator training and procedures, spare parts inventories and contingency planning. Additionally, the CNA field staff maintains certifications and commissions to perform all required statutory inspections of boilers and pressure vessels within the United States.

For more information about the New York City boiler code change, visit both http://home2.nyc.gov/html/dob/downloads/pdf/boiler_new_req_050608.pdf and www.nyc.gov/html/dob/html/forms/forms_boilers.shtml.

To learn more about CNA's Risk Control services, visit www.cna.com/cnaeportal/riskcontrol.