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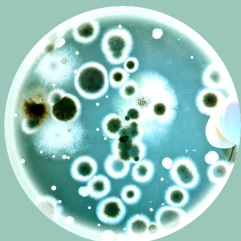
**MARCH
2017**

Municipalities, Storage Tanks & Environmental Impairment Liability

Examples of environmental exposures for municipalities



1



• **Mold • Fungi •**
• **Bacteria • Virus •**

read all about it on page 2

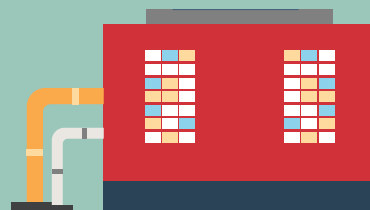
• **LEAD •**
• **ASBESTOS •**



read all about it on page 2

3

**Wastewater
Treatment
Plants**



read all about it on page 3

**Contaminated
Property from
Past Owners**



4

read all about it on page 3



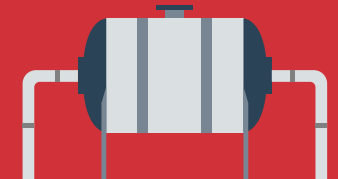
**Road Safety
Operations**

read all about it on page 3

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6

**Other Common
Exposures**



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OTHER ENVIRONMENTAL PROSPECTS WE CAN HELP WITH!

- General Construction Firms
- Fire & Water Restoration Contractors
- Mold/Asbestos/Lead Contractors
- Asphalt and Paving Contractors
- Environmental Contractors
- Waste Water Treatment Plants
- Landfills
- Farms
- Municipalities
- School Districts
- Plumbers, Roofers, and Artisan Contractors
- Hotels, Condo & Apartment Building Owners or Managers
- Property Transfers Including Purchase & Sales, Mergers & Acquisitions
- Roustabouts, Freshwater Haulers, & Fracking Support Contractors

As insurance professionals, you may insure or are at least be aware of municipalities in your area. These government entities likely have an aboveground or underground storage tank (usually more than one) for gasoline, waste oil, diesel, etc. located on their properties. These tanks are required by the local state government and the EPA to provide proof of financial responsibility to remain in compliance. With changing regulations and the solvency of many state tank funds in question, Tank pollution liability coverage is a great way to provide proof of financial responsibility, and finance risks on storage tank systems owned by municipalities. With the average cost of a tank spill around \$500,00 per tank, purchasing Tank pollution liability is a great way to cover spills and overfills on scheduled storage tank(s) for as little as \$700.00 and \$1M/\$1M in limits!

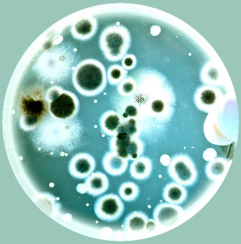
Please do not stop there! When it comes to environmental exposures for your local municipality, tank pollution liability policies only cover scheduled storage tank systems. Municipalities often have many other environmental exposures that would leave them uninsured should an environmental claim arise. Known as the "Fungi or Bacteria Exclusion" on a GL policy, it excludes 'presence of, existence of on or within a building or structure,' bacteria, mold, fungi, lead, and asbestos-related losses. Should a school become condemned with black mold their GL policy would exclude coverage based on the pollution exclusion. As a solution to this exclusion, Environmental Impairment Liability (EIL) was designed to fill the gaps on GL policies and tank pollution liability policies for environmental exposures that otherwise wouldn't be covered.

You may be asking yourself what the environmental exposures are for a local municipality?

Examples of environmental exposures for municipalities include but are not limited to the following:



1



• **Mold • Fungi •**
• **Bacteria • Virus •**

read all about it on page 2

Mold/Fungi/Bacteria/Virus

A quick google search of "schools closed due to mold" will populate multiple matches from around the country. Not far from ARMN Network's office, the Sun Prairie School District closed for 2-4 weeks with contractors working 24 hours a day removing contaminated drywall with mold. Some school districts have been known to save money by turning off the air conditioning over the summer to save on energy costs. High humidity invites mold growth and this will likely cause a huge problem if the children cannot attend school. Not only do you have remediation costs associated with the mold issue, you also have business interruption for the displacement of kids. This is a scary scenario to be faced with if your school district has a mold problem.



• **LEAD •**
• **ASBESTOS •**



2

read all about it on page 2

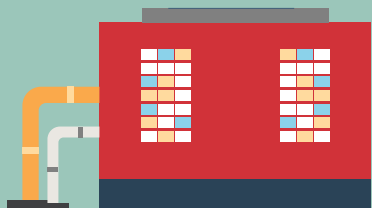
Lead/Asbestos

Lead pipes were commonly used with older infrastructure. A city municipality may have lead pipes supplying drinking water to its residents or asbestos-laden buildings. Asbestos was banned in ceiling treatments by the Clean Air Act of 1978 in the United States. Lead pipes are not completely banned in the United States but need to be used with extreme caution as we are all familiar with the Flint drinking water crisis. The EPA articles are nice resources to reference for lead and asbestos for further information.

<https://www.epa.gov/asbestos/asbestos-national-emissions-standard-hazardous-air-pollutants-neshap>

Wastewater Treatment Plants

3



Wastewater Treatment Plants

Nitrates in human waste are deemed a pollutant. So, treatment and disposal of wastewater at these treatments plants have an environmental exposure. Please see the EPA's article for further information.

(<https://www.epa.gov/nutrient-policy-data/estimated-nitrate-concentrations-groundwater-used-drinking>)



Contaminated Property from Past Owners

4



Contaminated Property from Past Owners

The big question mark as to what was at this property/location in the past? Is it already contaminated? An environmental claim could arise from a neighboring third party resident from a pollution condition nobody knew of from past ownership. (Reference the gone but not forgotten example in the Willis Link)

http://www.willis.com/documents/publications/Services/Environmental/Enviro_Insurance_and_Public_Sector.pdf



Road Safety Operations

5



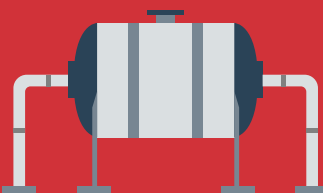
Road Safety Operations

Many municipalities have the duty of removing snow in their city or town. Snow removal is a process of not only plowing snow, but also salting roads to prevent ice buildup. Over application of salt into a water source in vast quantities could result in wildlife death or growth of algae uncommon to the watershed.



Other Common Exposures

6



Underground/Aboveground Storage Tanks

(used to store waste oil, diesel, gasoline, kerosene, etc.)

Waste Disposal and Recycling Operations

If chemicals leached into the groundwater from disposing of city waste and traced back to the city by the EPA, for example.

Pesticide Application

Over application causing bodily injury to city residents or leached into the ground contaminated sites or groundwater.

Brownfield Properties

(developer is considering redeveloping a government mandated contaminated site that the city used to own)

A typical EIL policy provides waste transportation liability, third party Non-Owned Disposal Site Liability, Cleanup for covered locations, Third Party Bodily Injury, and Property Damage Liability.

Minimum Premium starting @ \$2,500.00 for \$1M/\$1M Limits!

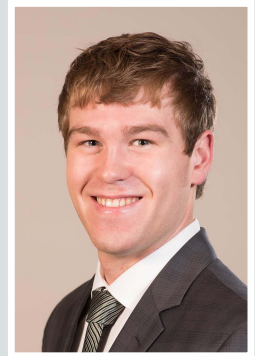
At ARMR Network we have access to A+ rated carriers with underwriting authority to offer Tank pollution liability and Environmental Impairment Liability on one policy form. It's quite common for municipalities to purchase several policies separately! We take the headache out of environmental exposures for municipalities in one easy policy! This unique offering will protect retail agent's E&O by eliminating environmental coverage gaps for municipalities. Property schedules and storage tank schedules are the only two items we would need to determine eligibility for your local municipality. Contact Jayden Johnson today!



AMERICAN RISK MANAGEMENT
RESOURCES NETWORK, LLC.
ENVIRONMENTAL
INSURANCE TOOLBOX



GOOD TO
KNOW



JAYDEN JOHNSON

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Honesty | Integrity | Knowledge | Excellence | Accountability

American Risk Management Resources Network, LLC is a wholesale brokerage firm that can help with many different environmental insurance placements, and not just Contractor's Environmental Liability! There are many hidden opportunities in many classes of business!

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