

Hidden Exposures For Trade Contractors



Environmental insurance is not just for hazardous waste contractors!

Trade Contractors have pollution exposures that are often left unaddressed. Today's CGL policies commonly contain separate exclusions for silica, mold, bacteria, asbestos, and lead in addition to pollution exclusions. The only way to adequately protect your insured from these exposures is via a well designed contractor's pollution liability policy (CPL). The original design team who invented CPL insurance to deal with the mold exclusions of the 80's, work at ARMR. Network, LLC today. As a result we know a lot about the product line. By not addressing these exposures and offering coverage, you leave both your agency's E&O and your insured at risk. ARMR.Network, LLC makes protecting the insured and your agency easy.

Some CGL carriers offer limited scope job site pollution endorsements. These endorsements do not compare in scope of coverage to a properly designed contractors pollution liability policy. After a loss occurs it is too late to determine whether a CPL would have better protected your insured.

It is often thought that only contractors involved in environmental or pollution cleanup need CPL coverage. However, trade contractors have the following gaps in coverage caused by exclusions found in their CGL policies.

Types Of Trade Contractors And Their Pollution Exposures

Plumbers

- Mold
- Bacteria
- Category 3 Water

Roofing Contractors

- Lead
- Asbestos
- Mold
- Polyurethane Coatings

General Contractors

- Lead
- Asbestos
- Mold
- Subcontractor Pollution Losses

HVAC Contractors

- Mold
- Bacteria
- Legionella

Electricians

- Mold
- Lead
- Asbestos

Carpentry/Drywall Contractor

- Lead
- Asbestos
- Mold
- Silica Dust



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CLAIMS EXAMPLES

Plumbers

Contaminated Water

A plumbing contractor installing a lawn sprinkler system did not install adequate vacuum breakers on the discharge side of the water supply valves. When pressure in a drinking water system fed by the same water main fell below atmospheric pressure, a vacuum was created which caused back-siphonage of stagnant water from the lawn sprinkler system into the drinking water supply. Several people drank from the water supply and contracted dysentery. Costs were incurred to investigate the issue, purge the system and to provide temporary clean water. Suits followed alleging bodily injury.

HVAC Contractors

Mold

A mechanical contractor installed an HVAC system in an assisted living facility for seniors. The system was constructed improperly, which caused mold growth in a portion of the residences. The facility was forced to relocate several patients during the repair of the system, and the renovation of the moldy building materials. A claim for clean-up costs and property damage was filed.

Roofing Contractors

Coatings

A roofing contractor applied polyurethane foam along with layers of elastomeric protective coatings to a roof of a commercial building. After completion of the building, workers in the building began to suffer respiratory problems caused by irritants in the coatings. Suits for bodily injury and business interruption were filed against the general contractor and roofing subcontractor..

Electricians

Asbestos

While installing new electrical lines in a historic building the contractor used a hole saw to cut through a ceiling. Unknown to the contractor, the saw had inadvertently disturbed and released asbestos-containing insulation material. The contractor had to pay for clean-up costs for the asbestos fibers released throughout the building.

Carpentry/Drywall Contractors

Mold

A drywall contractor was hanging new drywall at a construction project when an employee accidentally drilled through a small water pipe which was located behind the wall. The drywall contractor did not realize the water leak was occurring and the substantial amount of mold grew between the walls before anyone noticed. The drywall contractor was held responsible for clean-up of the mold as well as defense of third party bodily injury claims.

General Contractor

Mold

Two years after the completion of a new high school, it was determined that the window system used during construction was allowing water to infiltrate the building. Mold was discovered. Faulty installation was part of the issue. The cost to remediate the problem was shared by the General Contractor and the manufacturer of the windows. The sub-contractor who installed the windows was no longer in business. The General Contractor did not have pollution coverage for Mold and paid over \$900,000.