



## **CONTRACTOR POLLUTION AND ENVIRONMENTAL EXPOSURES: YOU DON'T GET IT UNLESS YOU ASK FOR IT**

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**W**hat is included within a contractor's pollution or environmental package policy is different from carrier to carrier. Along with different coverages, premiums can be wide-ranging due to the multiple coverage options that can be included or excluded within a single policy. Therefore, only looking at price can be a very dangerous strategy and can result in huge coverage gaps if you are not sure what coverage you are being provided or don't know what coverages to ask for. Many times, coverage deficiencies within a policy form looming in the darkness will only come to light during a claim.

Environmental terminologies and coverages that can be found buried within and listed as endorsements on contractors' pollution or environmental package policies include the following: Claims made vs. Occurrence insuring agreements, time element pollution coverage, pollution coverage for your work, transportation pollution, non-owned disposal site, emergency response cost coverage, additional defense expenses, natural resources coverage, electromagnetic fields coverage, mold coverage, asbes-

tos coverage, legionella and lead coverage, loading and unloading coverage including mis-delivery of liquid products, protective indemnity coverage, EPA Fines & Penalties, Criminal Fines, Penalties & Assessments and cost to repair or replace faulty work. Understanding the nuances, need for, or lack of coverage with each environmental exposure can be daunting if you're unsure what you need or what's considered customary coverage for a particular environmental risk. With that being said, the above is just a small list of the coverage additions. Exclusions to look for are an entirely different discussion.

Contractual liability to carry pollution, environmental claims, and additional EPA requirements for disposal and clean up in certain industries are serving to increase environmental exposures for your clients. The better you understand what to look for and what coverage your client needs, the better you can ensure you're properly addressing all your exposures.

### **TAKEAWAY:**

Agencies need to be diligent when training their staff with respect to environmental exposures. Determining what to watch for and how to address each of client's environmental exposures can be a tricky proposal. Whether the risk is a true Environmental Consultant, a Geo Technical firms, a HVAC/Plumbing Contractor, a Real Estate Portfolio, a Fire & Water Restoration Contractor, Recycling Operation, or Chemical Plant - they all have very unique environmental challenges. Knowing what to ask for and how best to address the client's individual characteristics will make sure your insured is properly covered and keep you out of hot water when a claim arises.

Please contact your Socius producer to discuss this exposure, and available coverage solutions in greater detail.

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