

Environmental exposures and liabilities for real estate - Secure a separate insurance policy

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Insurance solutions for the real estate industry are a niche focus for HUB. Did you know that one of your largest threats is pollution? Environmental issues are typically excluded from coverage in your business property/liability policy. To protect yourself from financial loss, you must secure a separate environmental insurance policy.

Most real estate business insurance programs include environmental insurance. Its rapid growth is attributable to the reality of catastrophic losses from pollution. Every piece of real estate is exposed to pollution. And, risks increase for multi-unit residential real estate properties.

Real estate risk management experts recognize that it is not economically appropriate for property owners and managers to have a potentially catastrophic financial exposure, especially when there is a simple and affordable solution to address pollution—environmental insurance. Comprehensive coverage protects your property and financial assets. Furthermore, environmental insurance provides specialized technical and legal expertise to respond to pollution events and lawsuits.

Indoor Environmental Risks:

- * Sick building syndrome (e.g. legionnaires disease);
- * Lead based paint, asbestos insulation;
- * Improper use of pesticides, cleaning materials, and maintenance of hazardous materials;
- * Toxic vapor intrusion into structures from soil or groundwater contamination beneath or near buildings; and
- * Toxic vapors from paints, new carpeting, dyes, and asbestos containing materials.

Outdoor Environmental Risks:

- * Leaks from underground and above ground storage tanks;
- * Spills during fuel oil loading and unloading processes;
- * Soil and groundwater contamination migrating onto owned sites from neighboring properties (e.g. former gas stations and dry cleaning plants);
- * Illegal dumping of hazardous materials in refuse areas; and
- * Past and present use of septic systems by tenants or vendors for disposal of hazardous wastes.

Top Five Areas that You are Financially Responsible for:

- * Cleanup costs for pollution of structures, land, water, and air (both on- and off-site);
- * Third party bodily injury and or property damage settlements;
- * Legal defense costs and expenses;
- * Civil fines and penalties; and
- * Loss of rents and business interruption.

With Environmental Insurance, Your Policy will Pay for:

- * Cleanup costs at or emanating from your location;

- * Bodily injury and property damage claims; and
- * Legal defense expenses and non-criminal fines and penalties.

What Triggers Coverage?

When a pollution condition is first discovered and you file a claim during the policy term, coverage is triggered. Therefore, if the pollution was unknown before the policy went into effect, cleanup coverage applies even if the pollution actually occurred before the policy was effective.

Coverage is subject to policy terms, limitations, and exclusions.

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