

## Pollution Liability Often Overlooked

When people think of pollution, they often envision contaminants from a storage tank leaking into the water or smoke billowing from a factory's smokestack. In actuality, even specialty trade contractors have pollution liability exposures that often aren't as readily apparent.

Pollution liability claims tend to be low frequency, high severity claims; they don't happen often, but when they do, they are usually expensive—even catastrophic.

### **Consider this claim example:**

*A contractor secured a school remodeling project. During the course of the project, the contractor damaged a gas pipe in the ceiling, causing gas to leak into the building. The building's occupants were evacuated and later claimed illness related to gas inhalation.*

### **It is important to be proactive in identifying the environmental risks you face in your day-to-day operations.**

In addition to the previous scenario, contractors can have many pollution exposures. Ask yourself if any of these other situations are a possibility for your business:

- Do your radiant heating or cooling projects require an anti-freeze solution? What's your plan for handling leaks?
- Do you transport any portable fuel tanks to job sites?
- How would your insurance company react to one of your customers' families becoming ill from carbon monoxide poisoning?

If you experience any of these workplace examples, the next question to ask is whether you have proper insurance. Pollution coverage can indemnify your business for the cleanup costs and third party damages for which you may be held legally responsible. This type of coverage has become more available and affordable in recent years.

You can help reduce your pollution exposure by taking the following steps:

- Train employees in the proper handling and storage of potentially hazardous materials.
- Establish proper emergency procedures such as who to call and how to recognize a pollution incident in the event a release occurs.
- Consider purchasing insurance coverage for situations that cannot be prevented.

Take time to uncover the often overlooked pollution risks at your business and decide how to deal with them before an incident occurs. Federated has many resources that can help. ◇

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