



Pollution & Mold Insurance

Frequently Asked Questions

How Can Pollution Impact Retail Properties?

Environmental claims and lawsuits affect virtually every business sector and shopping center owners in particular are exposed to some of the highest levels of environmental risk.

Indoor air pollution is the top priority of environmental regulators throughout the country. The indoor environments of Shopping Centers expose tens of thousands of customers and tenant employees to a wide variety of airborne substances that may actually be hazardous to health or, as importantly, alleged to be dangerous by potential claimants.

Potential indoor pollution conditions include:

- Mold spores
- Fumes and odors from product inventory
- Vapors from building materials, e.g. wall paint fumes, petroleum-based carpeting, inks and dyes, cleaning chemicals
- Improper application of pesticides, herbicides
- Accidental releases of hazardous materials during loading/unloading, storage materials or through facility ventilation systems
- Chemical terror attacks

In addition to indoor risks, shopping centers experience exposure to more “traditional” forms of pollution, such as:

- Soil and groundwater contamination from hazardous material releases
- Pollution condition migrating from neighboring properties
- Discovery of unknown pollution during subsurface construction activity
- Illegal dumping of hazardous material (midnight dumping)

Don't Our Lease Terms Protect Us from Pollution Claims?

The quick but accurate answer is that nothing will stop an owner from becoming a defendant in a pollution lawsuit, including the most devastating of all, the class action litigation. While the lease terms may hold owners harmless, the reality of environmental litigation is that it is a battle of attrition where most parties to an action are kept in by the courts for the long term, often years.

Owners are faced with an uphill battle of hiring and managing a variety of specialist defense lawyers, environmental consultants and engineers and a limitless number of experts. The losses are realized not only in potential settlements but the loss of thousands of internal man-hours needed to deal with the incident.

This insurance policy pays for losses, but just as importantly, shifts the burden of claim handling and litigation to our A++ insurance carrier partner, which has one of the best reputations in the insurance industry for claims handling.

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Why Don't Our Liability Policies Cover These Claims?

Virtually every insurance policy (including your tenant's policies) contains an absolute pollution exclusion stating that a loss resulting from pollution is not covered.

Why Large Deductibles?

The \$25,000 pollution and \$50,000 mold deductibles are industry standards. The policy is not intended to be a maintenance contract, but instead be coverage for catastrophic occurrences.

Keep in mind that you would pay these amounts and much more if there was no coverage afforded.

What is the Premium Cost for This Policy?

Premiums are calculated on the basis of total square footage of the shopping center buildings. We have established insurance rates that will result in a minimal increase in your total insurance costs. We will provide a premium estimate within 48 hours of receiving your application.

How Do We Get the Coverage?

When creating this resource, special emphasis was given to making the application and underwriting process as simple as possible. For more information, please contact:

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