

## PREMISES AND TANK POLLUTION - HEALTHCARE

Healthcare systems such as hospitals, medical offices / clinics, outpatient facilities, urgent care facilities and nursing homes / assisted living facilities have an insurance need for meeting obligations for their environmental liabilities. However, pollution provisions are most often not provided for under general liability or property policy coverages.

### PHLY Environmental provides the following coverage solutions...

Premises Environmental Coverage (PEC) and Storage Tank Environmental Policy (STEP) policies consider any risks that...

- Have had a water intrusion event
- Have a cooling tower or water distribution system
- Have a laboratory
- Disposes of red bag waste
- Handles cleaning chemicals
- Have storage tanks

...to carry a significant exposure to environmental risk.

Premises Environmental Coverage Product Specifics:

- Minimum Premium: \$3,000
- Limits Available: \$15M per occurrence/\$15M aggregate
- Policy Term: up to 3 year term available

STEP Product Specifics:

- Limits: Up to \$15M per occurrence/ \$15M aggregate
- Minimum Premium: \$300 per storage tank

### We have developed class specific coverage using our Healthcare Secure Endorsement, which can include:

- Remediation Expenses for contamination on, at or under, migrating from or through the insured's location
- Third party bodily injury or property damage claims resulting from contamination (this includes patients!)
- Claims for Indoor Air Quality, such as mold or legionella; as well as claims for facility borne viruses and bacteria
- Expenses associated with contamination events as a result of transportation or resulting cleanup of a waste disposal site or recycling facility to which the insured shipped its waste or materials
- Business Interruption Expenses as a result of remediation of contamination at the insured's location
- Associated defense expenses
- 1st Party Diminution in Value (DIV) from a contamination event
- Bed bugs and dust mites are included the definition of contaminant Automatic Acquisition provisions with flat addition rates per property type
- Broad covered location extensions for schedule of values (SOV) disclosures and protections for unintentional omissions

### PEC and STEP Healthcare Claims Scenarios: (\*designated costs are in excess of the applicable policy retentions)

#### PEC Claims Scenarios:

A medical clinic is a tenant in a commercial office building. A release of gas occurs from the medical clinic that required evacuation of the building and caused lung damage to several third parties. Other tenants were unable to return to the building for several days while the situation was investigated and the site was approved for occupancy. The building owner paid claims for business interruption and bodily injury to third parties. \$65,000 was paid in bodily injury claims and business interruption expenses.\*

#### STEP Claims Scenario:

During a routine daily inspection, a diesel spill was detected coming from a scheduled aboveground storage tank. The release, caused by the overfilling of the tank, flowed onto an adjacent property, resulting in contamination both on-site and off-site. The contamination was remediated with no additional impacts discovered. \$232,000 was paid in first and third party remediation expenses.\*

# CONTRACTOR ENVIRONMENTAL AND PROFESSIONAL COVERAGE - HEALTHCARE

## PHLY Environmental provides the following coverage solutions...

### Contractor Environmental and Professional Coverage (CEPC)

Any contractor working at a healthcare facility has a heightened exposure for environmental risk due to the sensitive population. Contractors may unknowingly cause or exacerbate contaminants leading to a contamination event.

#### CEPC Exposures:

- If not installed correctly, air balancing of the system may be off (indoor airquality), which can lead to mold
- Fumes from sealants, adhesives, and lubricants used in the installation may lead to a pollution condition
- Accidental disturbance of lead based paint and/or asbestos within astructure
- Mercury or other harmful materials due to the accidental dropping oflight fixture
- Incorrectly designed HVAC system, which can lead to not enough aircirculation in a structure or incorrect temperatures with a structure
- Damage of equipment due to improper electrical design
- Water condensation build up due to poor HVAC design, which can lead to mold
- Improper pipe diameter for plumbing/utility projects

#### What can a CEPC policy cover:

- CEPC protects the insured from claims for loss arising out of acts and errors or omissions committed by the insured during their performanceof professional services.
- CEPC also provides environmental liability coverage for contracting operations performed by the insured or on their behalf, transportation of waste or materials to and from a project site or yards, disposal and recycling of waste or materials from their jobs sites or yards, and their owned or leased locations.
- Owner Controlled Insurance Program (OCIP) and Contractor Controlled Insurance Program (CCIP) structures are available

#### Examples of contractors with an exposure:

- HVAC/Mechanical
- Electrical/Plumbing
- Landscaping
- Servicing Water Coolers
- Janitorial
- Excavation/Grading/Paving
- Environmental Contractors
- General Contractors/Construction Managers
- ...any many more

## Claim Scenarios for CEPC: (\* designated costs are in excess of the applicable policy retentions)

### Legionella Bodily Injury and Defense Costs: \$750,000:

An HVAC contractor was hired to replace HVAC equipment and ductwork in a senior living center. As a result of improper sealing of some of the ducts, condensation built up allowing legionella growth. Several residents became infected, which lead to a claim for bodily injury against the HVAC contractor amounting to over \$750,000 once defense costs were factored in.\*

### Electrical contractor: \$250,000

An electrical contractor was hired to design and install an electrical system for a new hospital wing. Within the wing, a new MRI machine was installed. In addition to wiring the new wing, the electrical contractor was responsible for the power supply for the MRI machine. The electrical contractor designed the power supply for the MRI machine with too much electrical power. At testing, the MRI machine received too many volts and damaged the machine. The hospital demanded \$250,000 for the repair of the MRI machine.\*

### CEPC Product Specifics:

- Minimum Premium: \$5,000 (\$2,500 for Contractors qualifying for EAS\*)
- Limits: \$15M per occurrence/\$15M aggregate
- Policy Terms: up to a three year term available for practice policies; up to five year term available for project policies

\*EAS - Environmental Account Solutions - dedicated unit specifically built to handle small contractors and consultants with revenues of \$25M or less



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