PHLY E&S
INSURANCE SOLUTIONS

PREMISES AND TANK POLLUTION - SCHOOLS

Educational Facilities such as K-12 private or public schools, colleges/universities and vocational schools have an insurance need for meeting obligations for their environmental liabilities. However, pollution provisions are most often not provided under their 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
- Handles cleaning chemicals
- Have storage tanks
- Have athletic fields or swimming pools
- Have a bus depot.

...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 Education Sentinel endorsement, which can include:

- Remediation Expenses for contamination on, at or under the insured's location
- Remediation Expenses for contamination that migrates beyond or migrates onto the insured's location
- Third party bodily injury or property damage claims resulting from contamination
- Claims for Indoor Air Quality, such as mold or legionella
- Expenses associated with cleanup of a waste disposal site or recycling facility to which the insured shipped its waste or materials
- Expenses associated with claims arising out of contamination during transportation of materials or waste from the insured's location
- Business Interruption Expenses as a result of remediation of contamination at the insured's location
- Associated defense expenses
- 1st Party Diminution in Value coverage from a contamination event
- Evacuation Expenses resulting from contamination

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

Small traces of legionella bacteria were found at a high school and the adjoining sports facility during a routine check. The school had to investigate and eliminate any risk posed by the low levels of bacteria that were found. The bacteria can cause a type of pneumonia called Legionnaires' disease. Contractors treated the water systems at both locations. A new cold water storage tank was installed temporarily at the school which served the adjoining sports center. $45,000 was paid in remediation expense.*

A university discovered that caulking used in a masonry building built in the 1960s contained PCBs. The PCBs were utilized to maintain caulking elasticity. Testing showed that the PCBs had migrated into the masonry and had become airborne in the class rooms. The PCB laden caulk has been remediated at a cost of $3M.*

STEP Claim Scenario:

First and Third Party Remediation - $232,000. 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.*

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INSURANCE SOLUTIONS

CONTRACTOR ENVIRONMENTAL AND PROFESSIONAL COVERAGE - SCHOOLS

PHLY Environmental provides the following coverage solutions...

Contractor Environmental and Professional Coverage (CEPC)

Any contractor working at an educational 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 air quality), 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 a structure
- Mercury or other harmful materials due to the accidental dropping of light fixtures
- Incorrectly designed HVAC system, which can lead to not enough air circulation 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

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

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 performance of 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

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

A general contractor was awarded a project to replace drafty windows in an old school building. During the replacement, the contractor did not use the proper flashing to keep water from entering joints between dissimilar building materials. As a result of improper flashing installation, water penetrated the building leading to mold issues. The mold remediation and restoration costs exceeded $500,000.*

A general contractor sub-contracted masonry work for a school project. The masonry sub-contractor did not construct the loading dock according to the design plans. The general contractor was accused of poor supervision and was held responsible for damages of $350,000 including costs to rebuild the loading dock.*

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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