

BEACON



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ENVIRONMENTAL INSURANCE

Claim Scenarios For Mold

Following are a series of claim examples provided to us by our insurance companies. These represent actual environmental claims they have seen. While the coverages we offer are designed to address these general issues, we make no guarantee or warranty that any individual policy we offer your client will respond to all issues as described herein. Please refer to the actual policy wording in each offered form to determine coverage applicability and acceptability.

- Mechanical Contractors-Mold Growth In HVAC System-A mechanical contractor installed a heating, ventilation, and air conditioning system in a new commercial office building. After three years, mold and mildew growth caused the release of airborne bacteria throughout the entire building, resulting in poor indoor air quality. Claims against the contractor for bodily injury and loss of property use exceeded \$500,000. In addition, the contractor was responsible for decontaminating the HVAC system.
- Two tenants of an apartment complex alleged toxic mold and fungi caused their asthma, bronchitis, cognitive deficits and impaired function of their immune systems. A Delaware jury awarded over \$1 million in damages; however the award was reduced to \$818,390 after issues of comparative negligence were taken into account.
- An Indianapolis couple filed a lawsuit alleging that their water damage restoration contractor did a poor job removing moisture from their 4,600-square-foot home, causing mold to grow throughout the house. Initial attempts to clear the mold have already cost \$43,000, and current estimates predict cost of removal to be \$100,000.
- A California condominium association is suing the developers, contractors, and property manager for construction defects that they allege were responsible for toxic mold that caused personal injuries and property damage.
- A woman claims her home sustained flood damage because of the negligent construction and maintenance of a city storm water detention facility. Further, she claimed that the city did not properly remediate the flood damage, resulting in mold growth that eventually caused her and her family to abandon the home.
- About 100 workers employed at a county courthouse filed suit alleging that exposure to toxic molds in the courthouse caused a variety of adverse health affects. Injuries alleged include respiratory ailments, skin rashes, headaches, nausea, vertigo and memory loss. The suit, which alleges that various contractors negligently developed, designed, planned, and built the courthouse, also maintains that the county failed to properly maintain the building.
- A Washington school teacher filed suit against the general contractor, construction manager, and architect of their School alleging exposure to toxic mold in her classroom and other places in the school caused her personal injuries. The plaintiff alleges certain construction defects in that the school's windows walls and roof do not repel and shed moisture as they should.
- In California a group received \$1.3 million for toxic mold claims against the builders and contractors whose shoddy workmanship allowed leaks to cause mold to invade their homes.

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