

MULTIFAMILY – PRIME ENVIRONMENTAL INSURANCE FACILITY



Environmental risks associated with habitational properties can pose a significant threat to both owners and operators. A myriad of environmental issues have the potential to disrupt operations and cause financial loss. Some of the most common environmental issues encountered at habitational properties include asbestos-containing material (ACM), lead-based paint (LBP), mold or microbial matter, and legionella. Other risks often encountered at habitational facilities may include storage of hazardous materials such as fuel oil, pesticides or chemicals associated with an on-site pool. Less obvious, but no less important, are the potential exposures posed by a tenant diagnosed with a contagious disease, and the resultant disinfection operation required to render the area safe for habitation.

Environmental risks are real, and the outcomes of pollution events are potentially significant. Whether as a result of their own operations, the activities of tenants or the actions of contractors, property owners may find themselves

facing costly remediation or liability exposures for situations they knew little about or over which they had little or no control. An environmental impairment liability insurance product, appropriately tailored to the specific risk, can provide robust protection and help to avoid unexpected financial loss.

MARSH'S PRIME ENVIRONMENTAL INSURANCE FACILITY AND PRODUCT DETAILS

Marsh's Prime Environmental Insurance Facility can help risk professionals obtain competitive coverage terms and pricing for habitational risks, in an efficient, streamlined process. Marsh and Ironshore have collaborated to develop a bespoke policy form designed to address the environmental concerns that are regularly encountered by entities involved in habitational properties. The streamlined underwriting process allows quotes to be delivered in a matter of days with minimal information required.

Who it's for

Habitational risk professionals, including: Owners and managers of multifamily properties, owners of managed real estate portfolios, real estate investors, owners and managers of single-family portfolios, rental apartments, condominiums, co-op apartments, student housing, senior housing.

What you get

- Dedicated coverage and capacity, including defense, and access to pre-qualified environmental contractors in the event of a loss for each policyholder.
- Limits US\$1 million - US\$10 million, Deductible US\$25,000, low minimum premium - \$7,500 with rates established based on the number of units.
- Ease of placement – minimal underwriting information required for placement.

PRODUCT HIGHLIGHTS INCLUDE:

- Broad site pollution form – broad definition of covered property providing new conditions coverage for any location owned, leased, rented, operated, or occupied as of the inception date.
- Blanket additional insured and broad named insured wording in the form.
- Third party claims for bodily injury, property damage or remediation expenses.
- First party remediation expenses.
- Emergency response costs (10-day limit).
- Business interruption coverage.
- Disinfection and image restoration (US\$1 million disinfection/ US\$250,000 image restoration sublimits).
- Automatic auto acquisition during the policy period with no additional premium and no need to schedule.
- Coverage for inadvertent disturbance of lead-based paint or asbestos containing material.
- Coverage for properties divested during the policy term.
- Blanket coverage for underground storage tanks (USTs) that are 10 years old or less as of inception with no need to schedule.
- 25% outside the limit for defense.
- Bodily Injury coverage for Radon.
- Coverage for nuclear, chemical, biological and radiological terrorism events if TRIA is purchased.

INSURING YOUR ENVIRONMENTAL RISK

Property owners cannot avoid environmental exposures. However, by understanding their exposures and being diligent about environmental risk management, property owners can reduce the likelihood of having a serious problem, and will be better prepared to respond effectively if a problem arises. A well managed and proactive environmental risk management program can allow an organization to find the upside of risk and give it a competitive advantage.

A LEADER IN REAL ESTATE

Marsh's Real Estate Practice serves risk professionals and property owners and managers in all sectors of the industry. With experience spanning conventional apartment communities, affordable housing, distressed properties, and new construction lease-ups, Marsh has the experience, people, and resources to maximize organizations' real estate value. Placing more insurance premium for real estate entities than any other insurance broker, Marsh provides clients with the solutions to effectively navigate the evolving nature of real estate risks and exposures.

For more information on habitational and real estate risk issues, contact your Marsh representative or:

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Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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