

CASE STUDY

Kingsgate fills critical gaps in condo and apartment coverage

AFFECTED CLIENTS

Property managers and apartment owners are contractually responsible for maintaining the condition of their residences. But standard property and liability policies typically excludes coverage for a critical exposure area: pollutants.

THE CHALLENGE

Insurance policies define pollutants broadly, such as “any solid, liquid, gaseous, or thermal irritant or contaminant.” In multifamily housing, the common pollution exposures include things like mold, diseases, sewage, asbestos, and illicit drug labs.

Pollutants have the potential to cause all the residents to become ill. Such illnesses leave managers/owners liable for bodily injury claims—which are not covered by a general liability policy. Pollutants also can do serious damage to an apartment complex, and the cost to remove pollutants and repair the damages are generally excluded by a typical property policy.

It is not uncommon for pollution-related costs to be hundreds of thousands of dollars.

The cost of a bodily injury claim is difficult to estimate. However, if illness or death occur, claims can easily reach \$1 million, and remediating the pollution from property/premise can be extremely expensive.

THE SOLUTION

Adding a separate insurance policy can “backfill” the limitations in property and liability coverage. An environmental liability policy provides coverage for bodily injury and property damage associated with pollutants (including clean-up costs). For example, if a property becomes infested with mold after a water break, one policy can cover the cost to remove the mold *plus* any resulting bodily injury suits brought against the property manager or owner.

Kingsgate can place these policies for as little as \$8-\$18 per unit per year.

THE RESULTS

This protection can be very affordable, especially when the policy is deployed on large schedules and has multiyear policy terms. Kingsgate has worked with government agencies to get this coverage for low-income markets as well.

In general, the cost of coverage is much less than the losses owners can incur if a non-covered pollution-related incident happens.

Ask Kingsgate Insurance to review your current habitational policy to make sure your tenants, your staff, and your management company are protected.



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