



Risk Tip: Meeting Your Insurance Requirements: Common Pollution and Professional Pitfalls

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Satisfying a client's contractual requirement for Professional or Pollution Liability coverage isn't always as simple as it seems; all policies are not created equal and many contracts include language defining exactly what coverage clauses are required. Below are some common pitfalls to consider before issuing a certificate of insurance:

If professional liability or errors and omissions insurance is required, be sure to review your insured's policy to ensure there is no exclusion for "Economic Damages". Some professional liability forms will cover damages arising from Bodily Injury and Property

Damage but will exclude Economic Damages. Economic Damages represent financial harm suffered by a claimant and often include damages such as extra expenses and loss of income. Coverage for such losses is crucial for contractors because they often arise from negligence in construction management which is an underlying factor in many professional liability claims.

Second: is pollution coverage only permitted on an occurrence basis? If so, it is important to review the policy because many occurrence-based pollution policies can include a claims-made provision specifically for mold and/or bacteria.

Lastly: Does the contract require affirmative coverage for bacteria? Bacteria may be considered a pollutant, but many pollution forms only cover a specific type of bacteria – *Legionella pneumophila*. This limitation may present a contractual compliance issue if the contract requires that coverage apply towards any type of bacteria.