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The Intelligent Broker

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“3 Reasons Why All Your Contracting Clients Should Carry Pollution Liability”

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Pollution claims and lawsuits are commonplace in the construction industry today, and yet more harmful than ever before, as insureds find themselves more so uncovered by their general liability policies due to the rise of restrictive policy language. Fortunately, however, per a recent market survey conducted by AM Best, the market for pollution coverage is robust with over 40 carriers offering over \$600M in global market capacity. Hence, most contractors will find it effortless to obtain low-cost pollution coverage, and this article outlines three reasons why all your contracting clients should carry pollution liability.

Reason Number One: Your Clients Need it!

Environmental claims can happen to any type of contractor; not just environmental contractors.

No contractor is immune and all types including general contractors, HVAC and plumbing contractors, painters, dry wall installers and framers, concrete contractors, and even road paving contractors are susceptible to pollution claims. To make matters worse, in addition to the standard pollution exclusion found in all general liability policies, more and more contractor GL policies now contain total pollution exclusions to exclude any coverage givebacks offered under the standard pollution exclusion. To solve this coverage gap and offer broad form pollution coverage, the Contractors Pollution Liability (CPL) policy was designed to cover all environmental claims faced by contractors.

Contractors pollution liability is a contractor-based policy that provides third-party coverage for bodily injury, property damage, defense, and cleanup that arise from pollution conditions stemming from contracting operations performed by or on behalf of the contractor.

The following are real-life claims examples where CPL policies would provide coverage:

- An HVAC Contractor installed new a/c system in an office building. Three months after opening, the building had to close due to many occupants suffering breathing problems and severe headaches. Many parties were sued including the HVAC contractor. During discovery, it was determined that the HVAC Contractor installed the system exactly to specifications required by the engineer and manufacturer. However, the HVAC Contractor suffered \$250,000 in uncovered defense costs, which would have been paid by a CPL policy.
- Road Paving Contractor – After laying the tack coat in preparation for the final coat of black top on a new road job, a heavy rain hit, washing the toxic material off the road and subsequently into a nearby stream. The toxic material clean-up costs totaled over \$300,000, which would have been covered under a CPL.
- Painting Contractor – While painting the interior of a nursing home, residents claimed that the poor venting of fumes caused severe headaches and sickness. The total damages awarded just under \$200,000.

Reason Number Two: Quoting Pollution Coverage presents additional revenue opportunities for your agency!

Cross-selling existing clients with contractors pollution liability is a simple, additional revenue generator for your agency. Moreover, when meeting with contracting prospects, pollution liability can be a very useful wedge-driving tool. When a prospect asks you why their current broker didn't offer them pollution coverage, you can respond that their current broker did not adequately consider all their exposures and most likely neglected to consider their pollution exposures. Hopefully after the insured realizes that they are better off with your knowledge, this becomes broker of record time for the rest of their coverages. Hence, by offering a small, low-cost CPL policy, usually quoted at premiums ranging from \$2,500 - \$10,000 for most contractors, you can acquire a large contracting account.

Reason Number Three: Your Agency's E&O!

As mentioned earlier, the prevalence and rise of contractor pollution related claims necessitates your offering all your contracting clients pollution liability coverage. In all the above-mentioned claim scenarios, the probability for an agency errors & omissions lawsuit is high if you didn't procure CPL, and the failure to recommend adequate coverage is certainly grounds for a successful suit against your agency. Whether your clients purchase this coverage is up to them; however, in the least, you'll protect your agency's E&O by offering CPL quotes.

In conclusion, the above three reasons offer you a WIN-WIN-WIN scenario for quoting your contracting clients pollution coverage. First and foremost, it offers your clients valuable additional coverage they need while also creating additional revenue opportunities for your agency and protecting your reputation and E&O.

For help in placing Contractors Pollution Liability, consider talking with your Halcyon Broker. Our team of Production Underwriters can offer low-cost CPL policies for your basic contracting exposures while also having the ability to handle your larger, more complex pollution risks. Halcyon has carrier contracts with a robust line-up of CPL market leaders, including AIG, AlliedWorld, Berkley, Chubb, CNA, LIU, OneBeacon, Travelers, and Zurich, and can readily help you obtain competitive pricing and terms for your contracting clients. However, different than other brokers, Halcyon also has the capability to handle all lines of coverage and can assist in placing a complete coverage program to offer seamless end-to-end coverage for your contracting clients' needs.

Halcyon Announcement!!

We are Happy to Announce Our Newest Online Rating Products!



DUAL Programs offers our agents the ability to write Commercial/Personal Flood, Contractors General Liability and Cyber Liability via our online website.

For more information [Click Here](#)

Learn More About Us

DUAL

Team Member Spotlight: Stewart Edwards



The relationship we have with our agent partners is very important to us. While we work with you on a day to day business level, we thought you'd like to learn more about our team members.

In this issue, we have Middle Market Production Underwriter Stewart Edwards who is in the spotlight.

Years at Halcyon: A little more than 2.5 years

Years in Insurance: 6 years

First Job: Cashier at Food Lion Grocery Store during High School but first job out of college was a high school math teacher and assistant cross country/track coach in NC

Favorite Movie: The Star Wars collection (good conquers evil, love conquers hate, always hopeful and persevere no matter what the situation looks like)

Favorite Vacation spot: Anywhere my family is able to get away together

Little-known fact: I've run 4 marathons and I enjoy skydiving

If I'm not at work, you can find me.... Hanging out with my wife and 1.5 year old son wherever our busy lives take us (or running sometimes)

Most important lesson learned: Life's too short to hold grudges, love and forgive

Advice for Success: Learn from mistakes made, always strive to be better and give your best at everything, be wise and seek advice from multiple sources (no one knows it all)

If I wasn't doing this, I'd: Be trying to help others through another way/means/aspect of life

Pet Peeve: Selfish people having no regard/consideration/respect for others

Hobbies: Sports (Watching and Playing), house projects, traveling

If I could have met anyone in history, it would be: Jesus, Mother Teresa, and Dr. Martin Luther King, Jr.

My favorite part about my job is: The great people I get to work with every day and helping clients, agents, and underwriters in any way I can, and that it is never boring and always changing.

Personal Lines

Helping Explain Rising Repair Costs to Your Customers

The number of newvehicles sold is at a record high. The cost to repair new vehicle technology,even in a small fender-bender, is just one of many reasons why insurancecarriers are paying out more in auto claims than they have in the past.

[Claims Cost Comparison - Safeco Insurance - CLICK HERE](#)

Halcyon Underwriters partners with Safeco and can help place your personal auto risks.

If you would like an Personal Lines auto quote - please contact us today at
PLSubmissions@halcyonuw.com

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Halcyon's website now has direct reporting available for all claims ensuring faster access for appointed agents using online reporting for most companies. Please use our claims links by clicking [CLAIMS](#) to report any claims.

