

RISK MANAGEMENT BULLETIN

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Property Pool Coverage and Mold Exclusion

Since molds have become a source of insurance market restrictions this year, new exclusionary language has been introduced into the LGIT Property Scope of Coverage. With that exclusion, the Loss Control Department has determined that it would be important to describe molds; where they come from; where they can be found and how they can be prevented. This loss control element of risk management should help minimize damages from this exposure.

Molds can be found almost anywhere; they can grow on virtually any substance when moisture is present. They produce tiny spores to reproduce just as plants produce seeds. The spores then move through indoor and outdoor air continually. When mold spores land on a damp spot indoors, they begin growing and digesting whatever they are growing on in order to survive. This can include: wood, paper, carpeting, foods and other materials. Since molds thrive most often in moist conditions, moisture control measures in both building design and preventative maintenance are key to prevention. It follows then to minimize mold growth, certain conditions must be monitored and controlled:

- Elimination of sites of water accumulation, i.e., roof and siding leaks, flooded areas, heating, ventilation and air conditioning (HVAC) system condensate. Leaky pipes, areas of improper placement of vapor barriers, seepage to basements and crawl spaces, humidifiers, etc.
- Monitoring nutrient sources for the presence of mold such as: wallboards, ceiling tiles, carpets, cardboard, furniture, animal or insect droppings, vacuum cleaner filters, HVAC filters, etc.
- Monitoring areas where temperatures and humidity fall between 45 and 100 degrees Fahrenheit, and above 60 percent relative humidity.
- Controlling the source of spores from either existing growths or high ambient dust loads entering the building.

With the mold exclusion being introduced into this year's property program, we wanted to describe mold and how it is spread so that losses would be minimized.

Those interested in the issue of mold, current news, science, litigation and legislation can visit the mold website at MoldUpdate.com

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