



## MOLD CLAIM SCENARIOS



### Apartment

During the initial phases of construction of a wood frame apartment complex, a major storm event occurred. The building envelope had not yet been closed at the time of the storm. Due to the unexpected nature of the storm, the open areas were not properly covered. Despite best efforts to mitigate the water intrusion with commercial dryers, mold developed on the saturated materials. More than half of the apartment complex had to be reconstructed due to mold. Costs for cleanup and mold remediation exceeded \$1,000,000.

### Condominium

A high-end condominium complex was undergoing renovations in the common areas of the building. During renovation activities, wallpaper was removed and mold was discovered. It was determined that the mold was a result of a slow leaking pipe behind the wall. All of the drywall adjacent to the pipe needed to be replaced due to the mold at costs exceeding \$150,000.

### Heating, Ventilation and Air Conditioning (HVAC)

An HVAC contractor installed an air handling system in a new building. Within weeks of opening, the building was forced to close as several occupants were hospitalized with breathing difficulties. Inspection of the HVAC system found that improper installation had caused excessive condensation leading to extensive mold growth within the ductwork. The contractor's pollution policy responded to the mold claims filed against them for cleanup costs, bodily injury and business interruption claims in excess of \$400,000.

### Office Building

A general contractor (GC) constructed a new office building. The windows were not sealed properly during installation resulting in water intrusion along the windowsills and mold. The building's owner filed a lawsuit against the GC for mold that arose due to the faulty workmanship. Cleanup costs due to mold exceeded \$250,000.

### Apartment

A child living in an apartment complex began experiencing breathing problems. An inspection of the apartment unit uncovered mold in the bedroom closet from a leak in the apartment unit directly above. The child developed asthma and the family filed a lawsuit against the apartment complex for the child's bodily injuries. The lawsuit resulted in damages and legal costs in excess of \$250,000.

### Retail Shopping Center

A commercial retail center received complaints from tenants about musty odors coming from the basement storage areas. During a maintenance inspection, it was determined that the basement drains were not able to drain properly due to build-up of sediments within the pipes causing water to back-up into the storage areas. Ventilation within the area was poor, which caused damp conditions conducive to mold growth. Extensive mold impacts were noted along the base of the walls that required cleanup. Cleanup costs, third party property damage and business interruption costs exceeded \$500,000.

### Claims Handling/Emergency Response

- Internal claims handling that is customer-facing and service focused
- 24/7 emergency response capabilities

### Claims Contact

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