

## Risk Management Summary of the EPA Lead Safe Renovation Rule

The new EPA Lead Safe Renovation rules have dramatically increased the risk of contactors performing remodeling, renovation and restoration work.

Although certified lead safe firms and contractors will be working with safer methods, the risks for owners and contractors associated with performing renovation services have increased significantly because of these factors:

1. Federal fines of up to \$32,500 per day for owners and contractors for not following the new rules.
2. Property owners must be notified of the lead related hazards of the contractors work by the delivery of a EPA brochure to the owner.
3. Insurance companies are adding a battery of new non standardized exclusions to liability insurance policies for lead related claims.
4. Some insurance companies are refusing to renew policies where a contractor is engaged in the "renovation" businesses

To manage this new loss exposure contractors need to:

1. Comply with the regulations.
2. There are no new insurance requirements under the EPA rules, various states however may add their own insurance requirements
3. Review your liability insurance policies for adequacy. Due changes the insurance companies are making in the insurance policies they sell, you should have a specialist in environmental insurance review your GL and CPL insurance policies to see if they adequately insure the services you perform. ARMR.Net will provide this insurance policy review for a fee of \$235 which includes an evaluation of the coverage and recommendations for alternative insurance designs which will better address the loss exposures of the contractor.
4. If you do not have a high quality Contractors Pollution Liability policy designed specifically for renovation work you need to buy one asap. Some combined GL + CPL policy options offer significant savings over separately purchased policies.
5. Make sure all of your subcontractors provide you with Contractors Pollution Liability that meets the **ARMR.Network, LLC** recommended CPL insurance Specification's at [www.armr.net.cplspec.pdf](http://www.armr.net.cplspec.pdf)

**ARMR.Network, LLC** features a wide range of insurance products to help renovation contractors manage this newly elevated source of risk.

We offer a CPL policy with coverage for exposure to Lead and Asbestos plus a wide range of other "pollutants" for as little as \$3,000 annually. We can add mold and bacteria coverage to the CPL policy for as little \$1,000 more. We have these same environmental coverage options on a policy that combines General Liability and Contractors pollution liability for the same premium as a CPL policy by itself. Generally a firm performing less than \$400,000 in work will be at these minimum premiums. Specially designed General Liability and Contractors Pollution Liability insurance is available from **ARMR.Network, LLC** on virtually any type of contractor. We can help you and your subcontractors manage this new risk.

For those of you who are currently **ARMR.Network, LLC** clients, your current CPL coverage has already been designed to address these new loss exposures. However it is still highly recommended that you implement a new requirement for CPL coverage into all of your subcontractor agreements.

For more information on this topic including the EPA guidance and the insurance coverages available to deal with it please see our website at [www.armr.net/leadsafe.html](http://www.armr.net/leadsafe.html)

To discuss your insurance options either call or have you insurance agent call **ARMR.Network, LLC** at 877-735-0800 or email, [webmaster@armr.net](mailto:webmaster@armr.net)