

Environmental

Legionnaires' Disease: Know the Facts

Legionella pneumophila is similar to other high-profile, indoor air calamities encountered in recent years such as asbestos, flesh-eating bacteria and mold. Legionnaires' disease can result in severe financial and public-relation consequences and insurance claims. Property owners, investors and managers as well as commercial, hospitality, healthcare and residential real estate developers must be made aware of the facts and potential gaps in insurance coverage.

Legionnaires' disease is caused by the presence and dispersal of +/- 40 strains of bacteria. The disease manifests itself in fever, chills, cough, muscle pain, headaches, and diarrhea and is often mistaken for pneumonia. First named after a 1976 outbreak at an American Legion convention in Philadelphia, symptoms of Legionnaires' disease may appear anywhere from two to fourteen days after exposure. The bacteria incubates in heating, ventilating and air conditioning (HVAC) systems, including cooling towers, but showers and public water features have also shown to be a causal link for outbreaks.

In many cases, the sources of Legionella contamination can be resolved from a physical plant perspective; a shut-down and bleaching of the

infected systems. However the resulting damage can have far-flung consequences including:

- Extensive investigation of the source(s) and costly shut-down
- Loss of rental income/vacancies
- Reputational concerns to the brand
- Investor suits
- Liability to victims for medical and related expenses
- Attorney fees
- Civil lawsuits

All of these consequences can potentially result in millions of dollars of unexpected expense. In addition to good prior planning and overall risk management, pollution liability insurance provides additional protection for these exposures. Since these types of financial losses would not be covered under Property and Commercial General Liability policies, these offerings can be used to fill a substantial gap. Coverage offered can include:

- 1st Party: Investigation and clean-up, remediation of pollution incidents (including mold, legionella and other indoor air threats)
- 3rd Party Liability: bodily injury/toxic tort/property damage
- Defense costs
- Business interruption
- Image restoration/public relations support
- Terrorism (including biological)

Pollution policies are available starting at \$5,000 a year. Alliant offers a wide array of environmental policy solutions that fit your business needs. Alliant offers a wide array of environmental policy solutions that fit your business needs.

To learn more about the mitigation of Legionnaires' disease and other environmental risks, contact;

Bill Nellen

Executive Vice President
Alliant Insurance Services, Inc.
bnellen@alliant.com