



Division of Specialty
Program Group, LLC



MOLD...IT IS OFTEN AN OVERLOOKED EXPOSURE TO LOSS OR DAMAGE. Please take a moment to review what may or may not be covered by insurance.

Mold: What is it and how to prevent it:

Mold is a fungus that grows in warm and damp locations. It feeds on organic material so when it grows, on any surface (especially fabric and artwork), the costs to clean and remediate the item or the storage or shipment lot, can be extremely costly. Mold can also cause illness and can potentially lead to chronic lung disease.

To prevent mold from affecting your clients' property, the best strategy is to limit the amount of moisture the shipment or storage lot is subjected to. Make sure you do not pack, load, or unload in high humidity situations. You should also avoid packing and/or storing any wet upholstery or damp cardboard boxes. Storing, packing, or transporting any liquids should also be avoided. The following suggested checklist is one way of helping to educate and avoid potential claims.

- 1) Check all furniture and personal property for existing mold
 - a. Mold can spread, easily, via spores during a move. One moldy item can ruin an entire shipment.

- 2) Do not pack anything that is damp or wet
- 3) Pull furniture and boxes away from basement walls one (1) week before packing and/or moving.
 - a. Basements can be one of the dampest places in the house. Removing furniture and boxes away from the walls can give them a chance to air out before moving. If you have a humid basement you might want to rent a dehumidifier to ensure your property is dry.
- 4) Launder and dry all your clothing prior to moving
 - a. Dirty or wet clothes are a great environment for mold to grow.
- 5) Clean any kitchen appliances thoroughly before moving
 - a. Kitchen appliances have a lot of food residue on them that can grow mold.

Mold: Is it covered under your insurance policy?

You may have coverage as part of your cargo and/or warehouse policy. Coverage will depend on what caused the

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mold. If mold can be tracked to a sudden and accidental event, such as a broken pipe or storm damage, the subsequent damage is likely covered. However, there is no coverage for mold that is triggered by atmospheric changes. Atmospheric changes are defined as changes in temperature where mold grows as a result of the environment changes surrounding the shipment.

IMPORTANT NOTE: Please contact us if you contract with the military to transport or store property for military personnel. Insurance terms and conditions are different for these contracts.

Mold: Are you a destination agent delivering International shipments? International shipments have a very high likelihood of mold growth. Even though you, as a destination agent for a freight forwarder, may never have opened the shipment container or vaults, the shipper (owner of property shipped) may hold your company liable if mold is discovered during unpacking. Protect yourself, from potential liability and an uncovered claim, by ensuring that your contract, with the freight forwarder, specifically states the parties to be held responsible in the event of mold damage. Use of a "door-to-door Bill Lading will also help limit your liability.



Mold: Will your insurance company offer claim defense?

In the event of a lawsuit, against you/your company, your insurance company has a duty to defend you in cases that result from a covered cause of loss. If the proximate cause of loss is NOT covered, as in the case of damage from atmospheric changes, there is likely NO defense coverage under your policy.

If you have any questions about a potential claim or would like more specific information, please call us. We would be happy to assist you. Contact us by calling our claims department 800-852-1968.

Source:
<http://moldfreeliving.com/2016/04/18/storing-and-packing-the-mold-safe-way/>

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