

Environmental Update: Dry Cleaners Solution



In a heavily populated residential area, six neighborhoods were found to have heavily contaminated groundwater. Four dry cleaners, owned by the same company, were located in these neighborhoods. It was concluded by the EPA that the dry cleaning facilities contributed to the ground water contamination in the area. At one facility, the storage tank had leaked solvents. In addition to cleanup costs, which included site excavation at three of the properties, the dry cleaner owner was forced to fight claims for property damage from 16 homeowners and for bodily injury from 30 homeowners. Claims totaled \$40 million.

The average dry cleaning machine uses 200 gallons of cleaning solvent during the average 8-minute cycle. What if there is some sort of spill or leak? Clean up costs can easily cost hundreds of thousands of dollars. In addition, neighbors may sue for contaminating property, diminishing property values or even bodily injury if they are exposed.

UCPM can help you secure environmental pollution insurance for on-site and off-site third party bodily injury and property damage liability, including clean up costs and third party diminution of property values. The average dry cleaner pays less than \$2,000 for this coverage.

Policy Limits: Standard limits are \$1,000,000 each claim / \$1,000,000 aggregate
Limits up to \$2,000,000 each claim/ \$2,000,000 aggregate are available

Deductibles: \$2,500 to \$15,000 and are based on the size of the dry cleaning operation

Minimum Premium: \$1,500

Common Underwriting Requirements: Current Financial Statements