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# News Release

## FOR IMMEDIATE RELEASE

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### **Contractors and Consultants at Risk from Increasing Number of New, Rigorous Environmental Laws That Can Lead to Costly Liabilities**

#### *New Podcast and White Paper Released from ACE*

PHILADELPHIA, January 24, 2011 – Contractors and consultants are more vulnerable now than ever to environmental liabilities, from job site pollution incidents, to hidden dangers of site selection, which can cost hundreds of thousands in fines and legal fees. In addition, contractors and consultants face a growing array of environmental risks and liabilities due to increasingly strict environmental regulations -- according to a white paper and corresponding podcast unveiled today by the ACE Group of insurance and reinsurance companies.

The white paper is titled, “Contractors and Consultants Face Increasingly Strict Environmental Laws,” and is co-authored by Barbara Deas, President, ACE Westchester Environmental, and William P. Hazelton, Senior Vice President, ACE Environmental Risk, and reveals the risk mitigation measures that contractors and consultants should consider. These include: contractual issues, sub-contractor selection, new and changing environmental regulations, waste disposal, and adequate insurance protection. The authors’ commentary is part of ACE Progress Reports<sup>SM</sup> a collection of white papers, articles, and executive reports on current and emerging risk management issues.

The white paper highlights where such coverage is crucial to project operations, ranging from the abatement of asbestos, lead and mold, to excavating or treating contaminants. ACE has also found that restoration work, installing or removing storage tanks or pipelines, as well as building or operating landfills, recycling facilities, water treatment plants, and hazardous waste facilities, all pose serious but often unrecognized potential liabilities.

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“When a construction project is first considered, environmental concerns need to be addressed through preplanning, and continue as the project progresses, in order to ensure that potential environmental impacts and associated risks are mitigated by taking the necessary steps to manage and lessen those impacts,” said Mr. Hazelton. “In the current regulatory atmosphere, contractors and consultants that ignore environmental concerns can put their businesses at risk for costly judgments, settlements, legal fees and fines.”

With the sharp decline of the housing market within recent years, the focus on the construction industry has shifted from mixed-use commercial and residential work, to government-funded infrastructure projects. As a result, contractors who may have specialized in one area such as real estate now need to learn new rules and regulations, as they compete for business in new areas such as road and public building projects. This increase in government job opportunities has continued to influence the need for environmental insurance products, as federal, state, and municipal governments now often require contractors of all types to carry pollution liability coverage; most are not eligible to bid or win projects without it.

“As a result of the greater public awareness and federal requirements, contractors and consultants must re-evaluate their exposures to eliminate coverage gaps before starting new projects” said Ms. Deas. “Risk protection for this group is changing along with client expectations and regulations, allowing them to become more aware of issues and adequately protect their businesses. As they take on new types of construction projects given the economic shift, the issue of protection becomes even more important. Different types of projects have different environmental concerns, making flexibility and awareness key.”

The white paper and related podcast explain the challenges and issues that are most often faced by this audience. Regulatory obstacles include air quality, soil contamination, emissions, and toxic run-off into water supplies, as well as site issues such as known and unknown pollutants. As these issues change, contractors and consultants must stay abreast of laws to remain compliant. They also highlight the need for environmental and non-environmental contractors and consultants to carry pollution liability coverage as a condition of bidding on and winning projects. Both are available on [www.aceusa.com](http://www.aceusa.com) and [www.acewestchester.com](http://www.acewestchester.com).

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To access the report, please visit: [www.aceusa.com/News/Pages/ACEProgressReports.aspx](http://www.aceusa.com/News/Pages/ACEProgressReports.aspx). The podcast is available at [www.aceusa.com/News/Pages/Podcasts.aspx](http://www.aceusa.com/News/Pages/Podcasts.aspx). The material presented in the report and related podcast is not intended to provide legal or other expert advice. It is presented as information only. Readers should consult legal counsel or other experts, as applicable, with any questions they may have.

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