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To Our Valued Clients:

June 2010

EIFS Work Excluded

Exterior Insulation and Finish Systems (EIFS)
Not Covered by Your Liability Policies

There have been a fair amount of jobs offered for bid lately that include EIFS work. We thought it would be an appropriate time to remind all that such work is not covered by General Liability Policies.

In response to tremendous losses suffered by the insurance industry from claims alleging wood rot and mold from faulty installation or defective product issues, virtually all carriers include an EIFS **EXCLUSION** on their General Liability policies.

If you are ever involved with EIFS work we would recommend looking into the availability of alternative coverage. Coverage may be available under a separate job specific General Liability Policy, with the EIFS exclusion removed. You may also want to cover the potential Mold exposure through a Pollution Liability Policy with the Mold coverage extension.

Though such coverage may be available there could still be significant exposures created by EIFS work that can not be covered, such as the replacement of a defective EIFS system.

We also want to emphasize, if you have ever done EIFS work in the past and your current General Liability policy has an EIFS exclusion, it will eliminate coverage for those past completed operations.

If you are subcontracting the work to an EIFS contractor you should require they carry a General Liability Policy that contains no separate EIFS exclusion and a Certificate of Insurance that states such. A separate Pollution Liability Policy with Mold Coverage, and no EIFS exclusion is also recommended. Require additional insured status on both.

The extent to which any coverage applies would depend on the facts surrounding each claim and the terms of any policy involved. The main point of this notice is to alert you of the significant uncovered exposures surrounding EIFS work, and that some coverage may be available under a Project Specific General Liability Policy, and a separate Pollution Liability Policy, at an additional cost. Please consider that when bidding future work.

If you are, or will become, involved in EIFS work please call us so we can discuss what coverage might be available.

Very truly yours,

DeSanctis Insurance Agency, Inc.