



Plastering – Stucco Contractors

There are a variety of environmental exposures that affect plastering and stucco contractors. Fugitive dusts from sanding activities or from mixing dry product to wet can contain hazardous materials, including silica. Off-gassing from joint compounds and bonding agents can impact indoor air quality. Mold can result from improper installation or sealing, or it can occur on plastering materials through moisture absorption during storage. Repair or renovation work can inadvertently disturb existing asbestos or lead-based paint and release hazardous particulates. Improper containment or disposal of washout water can lead to cleanup liability and natural resource damage.

Environmental Exposures May Include

- Activities such as sanding down of dry materials or mixing plaster materials from a dry state to wet can release airborne plaster dust. Plaster materials can contain composites such as calcium sulphate hemihydrate, limestone and clay as well as hydrated lime and mica. Inhalation of dust from these materials can cause respiratory and optical irritation and lead to third-party liability.
- Any work done with concrete, cement, mortars, and numerous types of clay uses a product containing a severe disease-causing, respirable crystalline silica. Releases may occur through the transporting, handling and mixing of dry materials for new applications or repairs. Dry emissions generate potential inhalation exposures because airborne particles can stay suspended and concentrate or migrate offsite with wind currents. Once inhaled, particles accumulate in the lungs and cause scarring and formation of nodules. Exposure may lead to chronic obstructive pulmonary disease (COPD), kidney disease or silicosis which is permanent and irreversible. This form of silica can also cause cancer.
- Water and moisture can get behind the stucco wall if not properly sealed. The moisture can't drain or dry once it gets behind the walls. The trapped moisture can result in the growth of mold or rot and severely damage wooden studs and wall sheathing underneath.
- Stucco works well in hotter and drier climates. However, the material will become compromised in areas with changing seasons and variations in moisture. In these areas, the material can warp and crack if not applied and sealed properly. Cracks or tears in the stucco surface can allow for mold growth, as mold can feed on the framing behind the stucco.
- Mold growth can occur on plastering materials through moisture absorption either by improper storing of materials, direct absorption of water vapor at high humidity levels or the poor quality of materials such as lime putty.
- Asbestos was formerly used in building and construction materials for its insulating properties, and to increase strength and durability in products. Asbestos-containing materials (ACM) are typically found in plaster, cement, concrete, putties, caulk and spray-on coatings. ACM can be inadvertently disturbed and released during repairs or remodeling, including through preparation of surfaces such as textured coverings, especially when sanding or grinding tools are used. Damage from unintentional accidents can lead to a release and potential clean-up and third-party claims.
- Lead-based paint could be found on the interior or exterior of a structure. This paint may be dislodged during repair or renovation of existing plaster or stucco resulting in lead particulates being released into the surrounding environment. Lead exposure can happen by inhalation or ingestion, and when absorbed into the body in high enough doses, it can be toxic. Short-term (acute) overexposure can cause acute encephalopathy, a condition affecting the brain that develops quickly into seizures, comas or death from respiratory arrest.
- Volatile organic compounds (VOCs) from bonding agents, mortars, gels etc., may result in off-gassing and hazardous indoor air. Finishes, acrylic modified plasters, spray emulsions and polymers may give off hazardous fumes when air drying. Spray fumes from outdoor applications can migrate and impact third parties.
- Discharge from washout facilities used to clean tools and equipment for materials such as stucco, paint, mortar, plaster or grout can leach into the ground and contaminate groundwater or contaminate storm water runoff. Improper containment or handling or disposal of wash water can result in environmental cleanup, natural resource damage or third party liability. Wash water can contain hazardous materials that inhibit plant growth and harm aquatic life if runoff migrates to a lake or stream. Washout facilities and activities should be performed as far away from surface water or storm water inlets or conveyances.

Contractors Pollution Liability Can Provide Coverage For

- Contracting operations done "by or on behalf of" the insured
- Contracting operations performed at a job site
- Third-party claims for bodily injury and property damage
- Third-party claims for cleanup
- Mold, legionella, bacteria and fungi
- Lead and asbestos
- Sudden and Accidental coverage for owned/leased locations
- First and third-party transportation pollution liability
- Loading and unloading
- Non-owned disposal sites
- First-party emergency response costs
- Defense of third-party claims

Claims Scenarios & Examples

- A plaster subcontractor was assigned almost equal liability with the General Contractor in the settlement of a school project claim. Initially, the contractor filed an acceleration claim against the school district that awarded them \$1 million; however, the school district filed a counter claim alleging defective work resulting in water intrusion. In preparation for the construction defect claim, mold was identified in the walls of the school, which resulted in the school being closed for a week for evaluation. After the school district filed an amended complaint, the acceleration claim award was overturned and the plaster subcontractor and the general contractor were assigned \$2.2 million and \$2.3 million of liability respectively.
- The court invoked the absolute pollution exclusion to bar coverage of a claim arising out of third-party liability. The alleged injuries were from toxic fumes from the use of an acetylene torch to burn through Monokote coating on a job site as well as off gases from spraying Monokote plaster on the floors as fireproofing.
- When a plastering firm installed stucco in a Florida condominium complex, the stucco allowed water to intrude behind the walls, deteriorating trusses and overall support structure. This construction defect not only led to the water intrusion, but also toxic mold. The condominium plaintiffs were awarded \$7.7 million.
- A school district sued a plaster contractor who spread lead contaminated paint dust through the school. According to the civil suit, the contractor used a grinder to remove lead paint, contaminating the library and six other rooms with the dust. After the plaster contractor began repair the district undertook a cleanup for lead dust.
- The Attorney General's office filed a civil suit against a local building company. The suit alleges that a building company failed to follow manufacturers' recommendations, building codes and the accepted industry practices involved in the installation of stucco, resulting in significant damage to homes due to water infiltration.

Final Consideration

As a contractor you can be faced with the cost to defend yourself against allegations or legal action from pollution related events, regardless if you are at fault or not. Having the proper insurance coverage in place will help fund the expenses incurred to investigate or defend against a claim or suit and provide you with environmental claims handling expertise.

This environmental risk overview has been developed by Environmental Risk Professionals on behalf of J. Loos & Associates. It is intended to provide the reader with a broad range of potential risks they may encounter and may not reflect all risks associated with their business. To verify available insurance coverage, please consult your insurance representative.

© 2020 Environmental Risk Professionals



J. LOOS & ASSOCIATES
Daniel Loos
919-256-6860
daniel.loos@jloosins.com
www.jloosins.com