

# Environmental Risk Overview



## Septic Contractors

Environmental exposures are inherent in the operations of septic contractors and the handling of septage. Septage pumped from septic tanks includes the scum, sludge and effluent that can contain harmful biohazards, nutrient pollutants, toxic gases and chemicals, which may cause serious health hazards and environmental damage. Accidental release can occur during pumping or repair to septic systems or cesspools or while providing or cleaning chemical toilets. Additional environmental exposure can occur during transportation, unloading and disposal operations or from the cleaning of trucks and equipment. A release can contaminate soil and groundwater or collect in storm water runoff, which can discharge into nearby bodies of water.

## Environmental Exposures May Include

- Septage pumped from septic tanks and porta-potties may contain bacteria, fungi, parasites and viruses that can cause serious illness or disease. A spill or leak caused during pumping and unloading, or failure to completely disconnect or reconnect sewer lines during installations and repairs, can result in a release of septage contaminated with pathogens which can leach into soil and groundwater or runoff into surrounding water bodies and contaminate drinking water supplies and water used for recreation. Persons exposed to sewer pathogens may contract hepatitis, dysentery, tetanus, cholera, giardia or infection by numerous parasites.
- Septage can also contain nitrogen in the form of nitrate. During a spill or leak of septage, nitrogen can leach into ground waters or collect in storm water runoff and wash into nearby waters where it can contaminate water quality. High concentrations of nitrate in drinking water can cause methemoglobinemia, a potentially fatal disease in infants, also known as blue baby syndrome. Nitrogen can also result in excessive algal growth which can cause natural resource damage by harming ecosystems and aquatic life, including the death of fish, shellfish and plants.
- Leaks in sewer lines may result in the migration of sewer gases into living/work areas and utility conduits. Toxic gases are produced by the natural treatment processes in septic tanks and may include hydrogen sulfide, ammonia, methane, esters, carbon monoxide, sulfur dioxide and nitrogen oxides. Sewer gases can be highly flammable and may build up to explosive levels, or cause loss of business and habitability of the building. Low level exposure can cause many health effects, including irritation to the eyes and respiratory tract. Exposure to high concentrations can result in loss of consciousness and death.
- Using heavy equipment and pumper trucks, on a property could result in driving over septic tanks, septic piping or drain fields. This could damage the septic system and result in a release of contaminated septage or gases.
- Failure to properly locate underground utilities and pipelines may cause septic contractors to strike a line and cause leakage. Underground utilities, like gas lines, water and sewage pipes, and unknown hazards beneath the surface, such as abandoned storage tanks, can be impacted. An accidental puncture and release of fuel oil, chemicals, toxic gases or sewage can contaminate soil and groundwater and release hazardous air emissions, resulting in cleanup costs, bodily injury and third-party property damage claims.
- During transportation from a job site to a disposal facility, a spill or leak of hauled waste could occur from equipment malfunction or a vehicle upset or overturn and result in environmental cleanup or tort liability. During loading and unloading of waste, equipment not properly attached/connected could also result in a pollution release.
- Disposal of collected septage may be regulated by federal and state laws, and require appropriate permits. Disposal may also need approval at the facility, which may impose their own dumping requirements. There are various ways septage may be disposed, including at a wastewater treatment plant, an independent septage treatment plant, through land application such as fertilizer or burial in sanitary landfills. Septage waste can contain biohazards, chemicals and other contaminants that were disposed of into a septic system. Improper disposal procedures, or spills and leaks while unloading at the disposal site, could result in serious threats to human health and the environment and result in cleanup and tort liability.
- Cleaning pump tanks, trucks, equipment and port-a-potties generate wastewater that is contaminated with biohazards, along with chemicals, bleach and detergents. Improper collection, containment and disposal could result in a contamination of surrounding soils and groundwater or a discharge into storm water drains that may run directly into water bodies without any treatment.

## 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
- Defense of third-party claims
- First-party emergency response costs
- Sudden and accidental coverage for owned/leased locations
- Mold, legionella, bacteria and fungi
- First and third-party transportation pollution liability
- Loading and unloading
- Non-owned disposal sites
- Natural resource damage
- Lead and asbestos
- Silt and sedimentation

# Claims Scenarios & Examples

- A sewer and septic contractor was responsible for overseeing a sewer rehabilitation project. During excavation of a trench, the bucket of a backhoe hit a natural gas line. This forced evacuation of the immediate area, including a small strip mall. Store owners filed business interruption claims against the contractor, exceeding \$75,000.
- A septic company was pumping out a private septic tank at a residence when the truck fell through a bridge over a creek. Fire officials say the truck had spent about an hour at the home, sucking out its septic tank before trying to make that trip back across the bridge. After the bridge collapsed, the tanker busted open, spewing almost three thousand gallons of raw septic waste into the creek. The creek eventually flows into a river about a quarter mile south of the spill site. Officials had to clean up the thousands of gallons of human waste that spilled into the creek and had to warn nearby residents to avoid the creek until the all clear was given.
- A man filed a complaint when a horrible smell was emanating from the ditch next to his business. The smell came from raw sewage that was being pumped into a storm sewer that feeds into the ditch. A septic company had been hired by the city to rehabilitate sewer lines in the area. There are two manholes in the immediate vicinity of where the spill occurred. One of the manholes, marked “sanitary sewer,” feeds into a line that ends up at a waste water treatment plant. The other manhole is a storm water drain that feeds into the ditch, which flows into the bay. “The contractor apparently put four truck loads into the wrong manhole. It’s a total of about 20,000 gallons”, said the Director of the city’s Waste Water Department.
- A salon owner sued the city and a septic contractor for a sewage leak in his business. The business had a sewage backup, and while the contractor was working to repair the leak, the line spilled sewage into the salon. This exposed the salon to significant hazards, including fecal contamination. The business owner sued the city for not keeping the sewer line clean for his business and the contractor for damages caused by the spill.
- The family of a 3-year-old who died after falling into a park septic tank filed a lawsuit against two city contractors, including the septic service contractor, stating their “negligence” resulted in his death. The autopsy report confirmed the child died from asphyxia. He was alive when he fell into the tank and inhaled the contents inside of the septic tank. The lawsuit claims the companies were contracted out by the city, and under state law, both contracting companies “owed a legal duty of care to reasonably inspect, maintain, repair, and service water treatment systems and wastewater lift stations including the septic tank” located at the park.
- A sewage truck that was hauling porta-potties reportedly rolled over on a busy U.S. highway after swerving to avoid a barrel that fell from another vehicle. Though the portable toilets that were thrown off were actually empty, human feces and urine still spilled out onto the road from vents on top of the truck’s septic tank. According to the state’s Department of Public Safety (DPS) Sergeant, “There are three compartments in that tank. One is fresh water, one is deodorizer and the other is waste water,” he said. “The waste water came out the top.” The DPS forward the incident to the local fire department, to determine whether further sanitization would be required.

## 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.*

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