

Rules tightened on mold insurance

By [The Associated Press](#)
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Hartford (AP) — Connecticut businesses and homeowners will have less protection against damage caused by mold under revised guidelines from state insurance regulators.

The guidelines the Connecticut Insurance Department released this week follow a deluge of requests by insurers to drop or limit mold coverage, with some planning to offer it as an option for additional premiums.

Claims for mold damage have ballooned in some states, such as Texas and Florida, driving up insurance rates.

Although insurance companies say they've received relatively few mold claims so far in Connecticut, many want to protect themselves by changing policy language.

“While claims related to mold have existed in property policies for years the explosion of claims in certain states, such as Texas, has made everyone concerned about the potential impact in other states for this type of a claim,” Walter Bell, director of the state insurance department's property and casualty division, said Thursday.

Under the new guidelines, insurers will only have to pay homeowners and businesses for mold damage, cleanup and testing if it's the result of a fire or lightning.

Those accidents can lead to water entering a building and providing the damp conditions for mold to grow.

For other mold-related claims, insurance companies will be permitted to limit the amount they pay under a homeowner's or commercial property policy to as little as \$10,000 a year.

Previously, there weren't special limits on mold, although insurers say policies were meant to pay only when mold results from something accidental, not from poor home maintenance.

“We believe the guidelines reflect the reasonable needs for coverage of consumers as well as the needs of the industry to identify the exposure they have to loss,” Bell said.

Now there will also be limits on mold coverage in liability insurance, which protects policyholders from the costs of lawsuits.

Connecticut regulators will now review insurers' filings on mold coverage and approve the restrictions that meet the department's guidelines.

Once approved, the changes would take effect upon renewal of policies. ■