

An air of danger

In the world of environmental insurance, businesses are concerned about protection against the resultant risk of contamination, caused by hazardous materials being discharged on their own or others' property. The assumption is that the 'bad stuff is on the ground.' Recent events come to mind, like that of legionella, anthrax, or mold. This narrow focus circumvents the issue surrounding the environmental effects of airborne materials that are not on the ground and often cannot be seen or touched. Current perceptions are beginning to change. The reality is that air pollution does exist in various environments; but the emerging threat is that undetected air pollutants are creating dangerous effects on US children.

According to new research from the University of Cincinnati, one out of three US public schools is located in the air pollution danger zone. The Cincinnati researchers found that 30% of American public schools are within a quarter of a mile from main highways that serve as major traffic thoroughfares. The environmental pollutants, such as diesel exhaust particles from trucks, can leave school age children with damaged lungs, and more.

OUTCRY

A recent newspaper investigation into an Environmental Protection Agency (EPA) model used to track the path of industrial pollution,



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Increasing number of US children are living under a cloud of air pollution. Risk managers need to wake-up to the consequences, says Joseph Boren



mapping the locations of almost 128,000 schools, which has since triggered a widespread outcry. The EPA conclusion was that 'the potential problems that emerged were widespread, insidious and largely unaddressed.' Just browsing the internet, a myriad of stories underscores the serious effects of air pollutants on the health and wellness of school children. Such reports highlight, among others, the discovery of brain-damaging levels of manganese in the air near a school in eastern Ohio; or a special EPA study that tested air quality on school properties, finding that a significant percentage contained such high levels of dangerous pollutants that students were directly at risk.

It has been discouraging as most safety tests and air quality assessments are based on the harmful effects chemicals have on adults in the workplace, not on children attending our schools. The proven reality is that children are simply more vulnerable to airborne pollutants than adults. Of upmost concern is that children may in fact be exposed to various air pollutants on a daily basis in the classrooms, or outdoor play areas.

Recent studies addressing the issue represent a step in the right direction for protecting children against health and illness consequences. School leadership, however, needs to do more. School districts must establish a sound risk management plan that requires comprehensive testing in and around school locations to determine if and to what extent a pollution problem may exist.

RISK MANAGEMENT VITAL

Risk assessment of air pollution factors is particularly important when municipalities are building new schools. In New York, for example, an old commercial laundry building was converted into a school, raising valid concerns about known chemicals, fumes, etc. housed within such an aged cleaning facility. Los Angeles built its new Belmont Learning Centre over an oil field, triggering calls of alarm about the potential health risk.

As insurance professionals and risk managers the question arises: How can we assist? There is no substitute for professional risk evaluation and mitigation strategies to determine a company or public entity's risk exposures. Risk management practices, however, must be established at the outset, and not when it is too late to reverse the damaging effects. Insurance solutions are

THE BRIEF

- ▶ Potential problems of US air pollution 'widespread and insidious'
- ▶ Risk management practices must be established at outset
- ▶ Insurers taking active steps to mitigate exposures

offered that address and protect the insured in the event of a discovered environmental problem or incident creates liability exposure and potential for loss.

School districts across the country are becoming increasingly more sensitive to health risks of school children from air pollution. Specialty insurance coverage is available, designed specifically for schools and other public institutions attended by children. While coverage options may vary, in general, insurance programmes encourage up-front testing and evaluation of air quality on the designated property, and respond to cover the costs of defence and environmental clean up in the event of an problematic occurrence.

The issue of air pollution's impact in and around schools is about to escalate as more educational and official leadership recognise the seriousness of often undetected risk on school-age children. The insurance industry is taking active measures to help mitigate and manage such exposure. The public will not tolerate polluted schools that threaten children during an informed age of heightened environmental caution. ®

Joseph Boren, is CEO of environmental insurance at Ironshore. He is on the board of several environmental non-profit organisations.