

# Asbestos Exclusion Rider Instructions

In recent months piping and plumbing contractors, along with all other parties in the construction industry, have seen a full exclusion for asbestos liability by their primary general liability carrier as well as their umbrella insurance carrier. The insurance companies are excluding from coverage anything to do with asbestos. The problem arises that anytime a contractor bids a project or quotes a bid as a subcontractor, there is a risk of doing uninsurable work associated with asbestos.

Enclosed is a form of contract language that is suggested as a remedy for avoiding that risk. The basic impact of the rider is that the risk of the asbestos encountered is passed back to the general contractor and, in turn, back to the owner.

Anytime that you bid a project or quote a bid as a subcontractor, advise the general contractors or the owners that your bid is conditioned on the contract including this rider. A downside on the use of the exclusion is when the invitation for bid requires that there be no alteration to the bid form or no conditions to the bid form, therefore causing the bids to be "non-responsive." The practical circumstance is that if the pricing is such that the only low prices or competitive prices are coming from the "non-responsive" bids, there will be a waiver generated to make the responsiveness nonsignificant.

The asbestos exclusion rider is designed to avoid asbestos liability for piping and plumbing contractors who no longer have asbestos liability coverage and eventually all contractors will lose this coverage. The "Asbestos Rider" was developed by attorney Richard T. Kavaney, Kavaney & Associates, Ltd. If you have any questions call the TCPIF office.