The myth of mold-related health risks has tainted America's legal system and insurance market with million-dollar lawsuits and paranoia over exposure to a harmless substance found throughout the environment. But science shows that most mold found in buildings is a simple byproduct of water and modern construction materials that is easily contained and generally harmless.

"In spite of the three-ring-circus treatment it gets in the media, mold is just mold," said Dave Golden, director of commercial lines for the National Association of Independent Insurers, speaking at the American Society of Heating, Refrigerating and Air-
Conditioning Engineers’ winter meeting in Chicago. “It’s been around forever, it’s easily remediated, and its health threat has been greatly exaggerated and virtually unproven by scientific fact.”

Most interior mold is a byproduct of water reacting with modern construction materials such as drywall paper, carpeting, wallpaper backings and particleboard. Although the existence of the simple fungus has been documented since biblical days, modern structures, which are sealed to keep in heat in the winter and cool air from air conditioners in the summer, encourage the growth of mold.

Because mold can’t grow without a source of water—typically from slow-leaking pipes or seepage—it’s usually simple to remove the source and clean up the mold. “Mold is often a maintenance issue,” Golden noted. “If you get rid of the water, you get rid of the mold.”

Beyond cleanup issues, mold’s affect on health has been greatly exaggerated by the media and the trial bar—and an industry of expert witnesses, remediation “experts,” mold testers and “public” adjusters has grown up around the myth. And while the mold lawsuit trend started with homeowners coverage, exposures exist in everything from landlord/tenant to construction defect.

In spite of the hype, however, there is no scientific documentation on the harmfulness of mold. “Although there could be individuals who might have allergic reactions to the presence of mold, or have preexisting conditions aggravated by inhaling mold, the ‘toxic’ label is clearly unproven,” he said. “Mold is not the ‘new asbestos.’”

The insurance industry has treated the coverage of mold coverage on a case-by-case basis. Because insurance provides financial protection against fortuitous events—which are sudden, accidental and unexpected—a policy could cover mold cleanup if the mold resulted from flooding or a ruptured pipe. “But the insurance policy is not a maintenance
contract,” Golden noted. “Simple home upkeep is not covered, and many mold cases arise from long-standing water exposures, not fortuitous events.”

Insurers are facing mold head-on by clarifying coverage, with options regarding mold coverage or exclusion, improving their claims-handling process by making water damage a top priority and by providing public information on mold and its prevention to reduce customer anxiety.

**Education Is Key**

But more needs to be done. “Education is key to debunking the mold myth,” Golden noted. “Everyone from homeowners to legislators and regulators need to separate the facts from the hype.”

Among other sources, Golden cited a recent study by The American College of Occupational and Environmental Medicine, which holds that “current scientific evidence does not support the proposition that human health has been adversely affected by inhaled mycotoxins (mold) in home, school, or office environments.”

**About the Author**

NAB, based in suburban Chicago, is a property/casualty insurance company trade association. Its 715 member companies write more than $98 billion in annual premium and more than 31 percent of the nation’s property/casualty insurance.