

## **Meth labs spread to city apartments**

**Methamphetamine production, once predominantly a rural phenomenon, is rising in the nation's cities and suburbs, meaning apartment managers and owners need to increase their vigilance and check their insurance policy for cleanup, damage and lost rent coverage in meth lab cases.**

Methamphetamine production requires highly toxic chemicals that can affect the central nervous system and cause other health problems. There is also a likelihood of explosion and fire associated with manufacturing the drug. Even if there is no explosion, the simple process of cooking the drug generates smoke and fumes that leave an invisible residue in the structure and on contents, putting them in need of decontamination. A meth lab in an apartment can necessitate the evacuation of residents, a police investigation, and extensive cleanup. You can also be fairly well assured of some major negative publicity. The question arises: Who will pay for all of this?

An apartment must be thoroughly cleaned by specialists to guarantee that chemical fumes and residue aren't left behind to sicken the next occupants. Cleanup costs can range from \$2,500 to \$70,000 or so, according to data from the Department of Health. The cleanup process can take a month and include a multi-unit decontamination area. Cleanup is typically followed by a hazardous materials inspection to guarantee that the unit is safe to inhabit. The apartment then has to be listed as a former site of a methamphetamine lab, and disclosure to prospective residents must be made.

If a resident in an apartment complex comes down with an illness that can be related to the meth lab, the apartment owner or property manager could face a liability claim. In buildings that also have commercial enterprises, there could be claims regarding lost income or merchandise.

### **Detecting and Defending**

While a meth lab usually generates a strong ammonia smell that can lead to detection, new, faster processes have arisen that allow makers to create smaller batches by mixing decongestants and battery acid or drain cleaner in shaker bottles—known as the “shake and bake” method. While the odor is reduced and detection is more difficult with this method, the dangers of explosion still exist, and contamination of rental units is certainly still a problem.

Many states now have landlord training on how to detect and respond to meth production. In addition, background checks on housing applicants and vigilance

regarding activity on the apartment property are critical. Documentation of the property manager's actions is certainly helpful if an incident does occur.

Your apartment complex's property and liability insurance might respond in each of the situations related to a meth lab in a dwelling, but there is a chance it might not, especially if the chemicals affect someone's health and are deemed pollution. If your policy excludes environmental coverage, you could have a gap in your protection. Coverage for cleanup could fall under your property policy, but you need to make sure since the contaminants may not be considered "smoke" damage.

It's also important to make sure your rental income insurance includes coverage for contamination problems. If your reputation is damaged and rental business falls off as a result of a meth lab and the publicity it attracts, would you be able to fund a public relations response?

Dealing with the residual problems caused by meth labs in apartments is complicated. It requires numerous specialists in the legal, environmental and insurance fields. There could be property damage to the unit as well as to contents in other units, including the personal property of others. Health consequences for other residents can also lead to liability claims against you, and income losses on contaminated units can become costly.

Since the problem of methamphetamine production is growing and spreading into more populated areas, apartment owners and managers need to become proactive. Training on detecting such illicit activity, documenting steps taken to prevent it, and adequately insuring the complex for property and liability claims are fundamental actions that owners and property managers should seriously consider undertaking.

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