

DISTINGUISHED. PROGRAMS

ENVIRONMENTAL & CONSTRUCTION PROFESSIONAL Contractor's Pollution Claim Scenarios



STREET AND ROAD CONTRACTOR

A street and road contractor was responsible for repaving a major highway that was adjacent to a creek. At the end of the day, a tack coat was sprayed onto the sub-base prior to paving activities, which were to commence the following day. An overnight thunderstorm washed the tack coat into the adjacent creek. The contractor did not follow best practices or the manufacturer's recommendations for the application of the tack coat. The cleanup of the creek and expenses for Natural Resource Damages exceeded \$200,000.

UTILITY CONTRACTOR

A utility contractor was replacing a municipal water line to a commercial building. During the excavation of the old line, the contractor struck an adjacent sewer line, causing the release of sewage into the basement and the surrounding area. Costs to clean up the sewage were close to \$300,000.

GENERAL CONTRACTOR (GC)/ UNDERGROUND STORAGE TANK (UST)

A GC was constructing a new office building. One level of subsurface parking was included in the construction plans. During excavation activities, the GC struck a former UST with a backhoe resulting in the release of the remaining contents of the tank. It was determined that the UST was associated with a former service station that was not identified through the due diligence process. Cleanup of the UST included the excavation of gasoline-impacted soils and the installation of a temporary well to confirm that groundwater had not been impacted. Cleanup and investigation costs exceeded \$500,000. A subrogation action was initiated against the firm that completed the environmental due diligence for the site in an effort to recoup the damages paid on behalf of the GC.



24/7 Emergency Response Support

Distinguished's Environmental team of underwriters, engineers, geologists, environmental scientists and insurance professionals have over 300 years of combined environmental and insurance-related experience to provide solutions tailored to protect your business from its unique environmental exposures. Using a customer-focused approach and state-of-the-art systems enables us to provide you with a full suite of products to provide coverage for fixed facilities, contracting services and professional liability with both primary and excess capabilities.

For additional information please contact dstepenosky@distinguished.com

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ELECTRICAL CONTRACTOR

As part of the renovations of a historic building, an electrical contractor installed new electrical lines. The installation required several holes to be cut in the ceiling. Due to the age of the building, the insulation was asbestos-containing. By cutting into the ceiling, the contractor unknowingly disturbed and released asbestos fibers throughout the building. The contractor was responsible for cleanup costs and third-party business interruption losses in excess of \$500,000.

MECHANICAL CONTRACTOR

A mechanical contractor was performing maintenance services on a hydraulically driven conveyor system within a manufacturing facility. The system was not locked out appropriately and a hydraulic release occurred when a fitting was removed. The hydraulic fluid was released into a drain that was situated adjacent to the system and discharged into the onsite septic leach field. The release was required to be reported to the state's environmental regulatory department and regulators required sampling and cleanup of the spill. The site owner of the manufacturing facility subsequently filed a lawsuit against the mechanical contractor for the release alleging damages in excess of \$350,000.

ROOFER

A roofing contractor replaced a roof at a commercial building. A waterproofing seal was sprayed on the roof prior to the completion of the work. Several weeks following the application of the waterproofing seal, many of the building's tenants complained of respiratory problems and other irritations. The problems the tenants were experiencing were caused by improper installation of the waterproofing seal. A lawsuit was filed against the contractor for the tenants' alleged bodily injuries. Costs for repairing the waterproofing seal and addressing the tenants' bodily injury claims were in excess of \$250,000.

PLUMBER

A plumbing contractor installed a water circulation system in a new high-rise hotel. Several months after the hotel opened, guests became ill from legionella pneumophila. An investigation determined that the cause was water stagnating within the pipes due to improper installation of the system by the contractor. Hotel guests filed a lawsuit against the property owner and contractor for bodily injury claims resulting from the legionella pneumophila in excess of \$2,000,000.

