

DISTINGUISHED. PROGRAMS

ENVIRONMENTAL & CONSTRUCTION PROFESSIONAL Premises Pollution Claim Scenarios



INDUSTRIAL/MANUFACTURING

The owner of a warehouse/industrial park was notified by the state environmental regulatory agency that it had received a complaint regarding groundwater contamination at a neighboring site. An investigation revealed that a former tenant of the park caused the contamination by discharging production wastewater into a nearby storm sewer. The former tenant denied the allegation and the state ordered the owner to start remediation of the site. The owner also faced lawsuits from surrounding property owners. The owner sued the former tenant for the recovery of cleanup costs. The investigation, cleanup costs, and legal costs exceeded \$1,250,000.

CHEMICAL/MANUFACTURING

A chemical manufacturing plant caught fire, emitting hazardous vapors into the air and hazardous liquids into the soil and groundwater. The air vapors and groundwater migrated to a number of nearby third-party properties. A class action lawsuit was filed by the neighboring community for property damage and bodily injury. In addition to these third-party claims, the plant's owner incurred extensive costs to clean up surrounding properties as well as the site itself. Total costs from the class action and cleanup costs exceeded \$5,000,000.

CHEMICAL - DRY CLEANER

A dry cleaner located in a strip mall filed for bankruptcy leaving behind contamination in the soil and groundwater, which led to an indoor air issue from soil vapor. The cleanup became the responsibility of the property/strip mall owner. The owner was required by the state regulatory agency to complete the cleanup of the site and notify surrounding property owners of the contamination, as it had migrated off-site. Cleanup costs and subsequent lawsuits from adjacent property owners exceeded \$800,000.

COMMERCIAL - HVAC

A veterinary office was a tenant in a commercial office park. HVAC repairs were made within the building, and both workers and customers complained of headaches and nausea due to vapors from sealants used during repairs. The commercial office park was evacuated as a precaution until the fumes were gone; however, several people went to the hospital. The HVAC contractor who caused the problem did not carry pollution insurance and was unable to pay for the claims. The owner/landlord of the commercial office park incurred costs in excess of \$75,000 for business interruption and bodily injury to third parties.



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.



MOLD - RESIDENTIAL

A child living in an apartment complex began experiencing breathing problems. An inspection of the apartment unit uncovered mold in the bedroom closet from a leak in the apartment unit directly above. The child developed asthma and the family filed a lawsuit against the apartment complex for the child's bodily injuries. The lawsuit resulted in damages and legal costs in excess of \$250,000.

NATURAL RESOURCE DAMAGE - BULK STORAGE

A waste-oil tank at a bulk storage facility was overfilled during a routine transfer spilling waste oil into the secondary containment system. A valve in the secondary containment system was left open during a recent clean-out, and the waste oil was released into the neighboring river. The spill impacted a marina, river, wetlands, and wildlife. Losses included cleanup costs and emergency response costs for the river, as well as property damage and cleanup costs of boats and docks. Natural resource damages were also incurred for lost wildlife and damaged wetlands. Total losses were nearly \$3,000,000.

FOOD PROCESSING

An ammonia leak was detected at a meat processing and packaging facility that used the gas as a refrigerant, resulting in the evacuation of everyone within a one-mile radius of the facility. There were multiple inhalation-related injuries, as well as damage to food products within the facility. Disposal costs for the contaminated food were \$50,000 and bodily injury and legal costs exceeded \$1,000,000.

NATURAL RESOURCE DAMAGE - WASTEWATER

A large dairy farm's wastewater lagoon failed in a large storm event. This resulted in the release of over 1,000,000 gallons of wastewater containing animal waste to the surrounding area, with discharges reaching a nearby stream. Cleanup costs and associated natural resource damages exceeded \$200,000.





MOLD - SEDIMENT BUILD UP

A commercial retail center received complaints from tenants about musty odors coming from the basement storage areas. During a maintenance inspection, it was determined that the basement drains were not able to drain properly due to the build-up of sediments within the pipes causing water to back up into the storage areas. Ventilation within the area was poor, which caused damp conditions conducive to mold growth. Extensive mold impacts were noted along the base of the walls that required cleanup. Cleanup costs, third-party property damage, and business interruption costs exceeded \$500,000.

INSTITUTIONAL - MERCURY

Students in a university laboratory accidentally dropped a thermometer containing mercury. Unaware of the imminent danger, the students treated the spill casually, causing the mercury to be tracked throughout the school on the bottoms of their shoes. The mercury vapors contaminated the building and students complained of nausea and headaches. The school paid \$200,000 in cleanup costs and \$150,000 for bodily injury claims.

REDEVELOPMENT - BROWNFIELD

A vacant riverfront industrial complex was purchased by a developer in order to construct retail, commercial, and residential buildings. During excavation activities, several underground storage tanks were discovered that had not been identified during previous environmental investigations. Soil and groundwater contamination were found on the property. Contaminated soils were excavated and disposed of, and groundwater cleanup and monitoring continued until the state regulatory agency provided clean closure of the site. Cleanup costs exceeded \$1,000,000.

REDEVELOPMENT - HISTORIC FILL

An old office building was demolished as part of a high-rise apartment complex redevelopment project. Following demolition, fill material was observed beneath the building slab of the former office building. The former office building was constructed in the vicinity of a historic riverbed and the area was filled to allow for development. Soil and groundwater samples were collected and confirmed that the fill material was contaminated and had impacted surrounding areas. Costs associated with the environmental sampling and off-site disposal of the impacted fill and surrounding soils exceeded \$500,000.

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