

Wrong place, wrong time!

Be ready when life happens. These situations related to various industry trends illustrate the variety of environmental exposures that could affect your customers!

Social media and increased environmental activism continue to heighten the awareness of pollution risks which are leading to additional lawsuits by public interest groups. Consider this...



A watchdog riverkeeper organization has been monitoring the stormwater discharges of a company that operates along a waterway. The riverkeeper group filed a lawsuit against the company claiming that the company was in violation of its

Clean Water Act permits and that it was responsible for associated fines, penalties and attorney fees.

The EPA and state environmental agencies are developing groundwater clean-up guidance for PFAS. Consequently, insureds are experiencing increased claim activity associated with both site investigation and third-party litigation. Consider this...



A company purchased a former manufacturing facility to be used for a mixed-use commercial development. The state regulator required the company to investigate and test for PFAS due to well detections at a downgradient site.

Consequently, the company incurred the technical and legal costs associated with complying with the state's request and order.

The increased frequency of flooding and extreme weather events may result in heightened water intrusion exposure. Consider this...



Three days of heavy rainfall resulted in undetected leaks within the outer wall of a large residential apartment building. A month later, residents were complaining of headaches and respiratory issues due to alleged mold. One resident filed a

lawsuit, and the building owner incurred legal costs as well as potential mold remediation costs.

Industry Trends 2022

Claims Scenarios



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Water utility companies are experiencing higher costs due to testing and treatment for emerging contaminants, such as 1-4 Dioxane. To offset and recover associated increased costs, the companies are filing lawsuits against the manufacturers of those chemicals. Consider this...



Due to increased treatment and testing costs, a town's water utility sued a manufacturer of the chemical 1-4 Dioxane. In turn, the manufacturer filed a third-party contribution action against all companies and commercial property owners in the vicinity of the town's wells, alleging that they all contributed to any possible contamination. Many of these third-party defendants never used these chemicals in their operations but nevertheless incurred costly legal defense fees in responding to these lawsuits.

With the recently passed infrastructure bill, including around \$550 billion in new federal investment for infrastructure initiatives, redevelopment projects are likely to increase. Consider this...



A commercial real estate developer purchased a large parcel of unused natural land for the construction of a mixed-use commercial development that includes retail, residential and a hotel operation. The land was just outside of the town limits and had no historic use or operations. The adjacent neighboring property was formerly used for agricultural purposes but has since been abandoned and overgrown. Unbeknownst to the purchaser and to the local authorities, illegal dumping of construction and other waste took place on the property, causing contamination of the soil and groundwater which migrated onto the development property site. The abandoned farmland was deeded to the town after the farm became defunct, and the farmer did not pay taxes. Environmental regulators are now requiring the developers to investigate the extent of contamination at the site.

AM Best rating affirmed December 3, 2021. The above claim scenarios are provided to illustrate the variety of potential environmental exposures faced by your clients. The facts of any situation which may actually arise and the terms, conditions, exclusions and limitations in any policy in effect at that time are unique. Thus no representation is made that any specific insurance coverage applies to the above claim scenarios.

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