

Contractors Pollution Liability

Claim Examples:

- A **concrete contractor** laid an undercoat of slag while creating a new runway for a large international airport in the Midwest. After the runway was complete, it was discovered that the slag was contaminated and was leaching pollutants into a tributary of one of the Great Lakes. The claim exceeded \$400,000
- While working on the interior of a nursing home, a **painting contractor** was sued by over a dozen residents alleging that fumes as a result of inadequate venting overcame them. Total claim was over \$200,000
- A city hired a **paving contractor** to finish six roads, two primary and four cul-de-sacs. The size of the job required that the contractor apply 2800 gallons of oil-based sealant. However, before the sealant could dry, precipitation washed it off the roads and into the city's storm drains and a nearby stream. The oil-based sealant was found to be potentially harmful and the city inspector ordered the contractor to clean it up. Fifty property owners who lived along the stream filed suit for bodily injury and property damage as a result of the washout. The contractor paid all costs associated with the cleanup and settlements for approximately \$600,000
Solution – Protection from pollution conditions resulting from construction operations: CPL can help to protect contractors from third party claims for bodily injury and property damage resulting from pollution conditions arising out of covered operations. This is especially useful for jobs where neighbors' properties or businesses are potentially affected by the execution of the contract. Also CPL coverage will provide protection against claims for cleanup costs where mandated by a government agency.
- While working at a mall, a **cleaning company** inadvertently mixed cleaners, one ammonia based, the other chlorine based. The result was a toxic cloud of ammonia chloride that caused respiratory distress in dozens of shoppers. Total cost of this claim \$175,000

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- A **general contractor** was hired to remove PCB transformers at a warehouse. After thorough evaluation and verification of credentials, training procedures and state and federal licensing, several remediation subcontractors were brought in to assist in the project. One of the subcontractors was removing PCB oils from transformers located on the roof when contaminated oil spilled through an opening and splattered over the interior of the building. The owner of the warehouse sued to recover cleanup costs resulting from the spill incident. The subcontractor also sued the contractor, claiming it was not responsible for the spill but that the cause of the accident was a result of the general contractor's negligence in meeting environmental regulations. The general contractor was found liable for cleanup costs of approximately \$250,000, not including expenses.

Sample Business Classes:

- Street and Road
- Concrete
- Janitorial
- General Contractors
- Painters
- HVAC
- Excavation
- Mechanical Contractors
- Fire/Water Restoration Contractors
- Spill Response Contractors