

## Following Are Examples of Environmental - Contractors Liability Claims

**Toxic roadway spill.** Nearly 3,000 gallons of unleaded gasoline was discharged when a petroleum hauler's tanker overturned on an Interstate puncturing a hole in the front compartment of the four-compartment trailer. The affected areas included a right-of way owned and operated by the Department of Transportation and an undeveloped tract of land on private property. The gasoline pooled in a grass-covered area at the base of a stone covered embankment and subsequently migrated into an adjacent wetlands area.

Emergency response activities included securing the scene, cleaning and containing the immediate spill, and off-loading of the residual product in the tanker's trailer. Subsequent activities included the collection of free product throughout the wetland and downstream areas and the excavation of impacted soil from the wetland area.

The accident resulted in claims being filed against the insured petroleum hauler, which have been settled to date in excess of \$300,000. Clean up costs are estimated to exceed \$90,000.

**Costly assumption.** A mark-out contractor was retained by a utility company to conduct an inspection at a drill site to identify underground utility lines, mark such lines, and notify the utility company of its findings. However, the mark-out contractor failed to go out to the site and never marked the existing gas line.

When an oil driller commenced drilling days later, not knowing a methane gas line had been compromised, heat was employed, which caused an explosion that destroyed equipment valued at over \$1 million.

A claim was filed against the insured mark-out contractor. During the investigation, the contractor admitted to not visiting or marking the site because of familiarity with the area and because they had recently done prior mark-outs there and didn't believe another was necessary.

The drilling company's carrier threatened to file a subrogation suit to recover over \$1 million that it paid its insured, the drilling company, but the claim resolved pre-suit for \$675,000 based on successful negotiation points including comparative negligence and valuation of the damaged equipment.

**Elusive toxic mold.** A microbiologist, the insured, was contracted to perform mold testing in a private home following an incident with an overflowing bathtub. Some time later, the homeowner filed a claim against the microbiologist and other contractors who were hired to assess the problem, alleging the water and moisture were not properly remediated and, as a result, mold grew in the home.

The claimant alleges various allergic and respiratory injuries including a rare and serious skin disorder, mental and emotional distress, increased risk of future allergic responses, hyper-sensitivity and a lowered immune system. The claimant also cites monetary damages due to lost earnings and costs associated with the alleged inhabitability of the home. The case recently settled for \$400,000.

