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ENVIRONMENTAL INSURANCE

Claim Scenarios For Professional Liability

Following are a series of claim examples provided to us by our insurance companies. These represent actual environmental claims they have seen. While the coverages we offer are designed to address these general issues, we make no guarantee or warranty that any individual policy we offer your client will respond to all issues as described herein. Please refer to the actual policy wording in each offered form to determine coverage applicability and acceptability.

- Environmental Services Industry-Cross Contamination-An environmental consultant provided plans and specifications for the installation of monitoring wells at a contaminated facility. Contamination had seeped from the ground surface into a shallow aquifer. Following installation of monitoring wells, sampling showed evidence of contamination in both the shallow aquifer and in a lower lying aquifer. The facility owner filed a claim against the consultant, alleging that well placement (location and depth) was responsible for the cross-contamination of the lower lying aquifer. The settlement amounted to \$250,000.
- Environmental Services Industry-UST Discovered-An environmental consultant performed a Phase I Site Assessment at a site that had been used previously for industrial purposes. The consultant submitted a report stating that negligible contamination had been found. The property was subsequently sold. During excavation, an unregistered leaking underground storage tank (UST) was discovered on the site. The property developer sued the consultant for \$1.2 million for remediation expenses, lost profits, and diminution in value.
- Environmental Services Industry-Wetlands Delineation-A consultant failed to delineate wetlands on property which was to be developed into a new regional landfill. As a result, the landfill had to be re-engineered, thus delaying its opening. The settlement amounted to \$7 million.
- Environmental Services Industry-Cross Contamination-An environmental consultant provided plans and specifications for the installation of monitoring wells at a contaminated facility. Contamination had seeped from the ground surface into a shallow aquifer. Following installation of monitoring wells, sampling showed evidence of contamination in both the shallow aquifer and in a lower lying aquifer. The facility owner filed a claim against the consultant, alleging that well placement (location and depth) was responsible for the cross-contamination of the lower lying aquifer. The settlement amounted to \$250,000.
- Environmental Services Industry-Negligence Claim-A developer retained a consultant to perform a geologic/geotechnical investigation for a residential subdivision. During final grading of the site, a major landslide occurred which extended off-site and impacted adjacent properties. The developer filed a suit against the consultant for breach of contract and negligence in failing to provide proper design engineering services during excavation of a sloped area. The resulting settlement totaled \$300,000.
- Environmental Services Industry-Storm Drainage System-A landfill retained a consultant to design and perform construction observation for improvements to a site, including the installation of a storm drainage system. An explosion occurred in a concrete out-flow box into which the landfill system drained. Bodily injury claims due to worker injuries exceeded \$400,000.

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