



Contractor Pollution Claim Examples

HVAC Contractor

- Installed an HVAC system in a new office building. Within weeks after opening, the building had to close due to occupants being overcome with breathing problems and headaches. The contractor was one of many parties sued. During discovery, it was determined that the HVAC system was installed exactly as the specs described. However, the contractors had to absorb over \$250,000 in uncovered defense costs because he had no environmental coverage, therefore, no defense costs.

Painting Contractor

- While painting the interior of a nursing home, the 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.

Janitorial Contractor

- 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.

Pipeline Contractor

- A contractor suffered a large claim when he installed a new storm water drainage system for a municipality in MI. Not long after completion a very heavy rain struck the city, causing a backup of water with human waste into the basements of over 100 high-priced homes. The contractor was sued for installing an inadequate system and the environmental insurance carrier paid over \$800,000.

Maintenance Contractor

- A contractor was employed to control the vegetation along an overhead power line right of way. A herbicide was applied to reduce the vegetation, following which, a heavy rainstorm occurred and washed herbicide on to adjoining farmland. The farmer’s crops and land were severely damaged and the contractor was held liable for the damages.

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.

Renovation Contractor

- A contractor was reconditioning a tile floor in a building undergoing extensive renovations. Several workers in the building filed bodily injury claims totaling \$25,000 against the contractor. The workers had inhaled toxic vapors from the sealants used in the reconditioning process.



RISK PLACEMENT SERVICES

Contact_Us@RPSins.com
Ph: 866.595.8413 • Fax: 480.281.5627
RPSins.com

Paving Contractor

- A city hired a contractor to finish six roads, two primary and four cul-de-sacs. The size of the job required that the contractor apply 2,800 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.

Utility Contractor

- A utility contractor undertaking construction of a new overhead power line employed a sub-contractor for installation of the power poles. The subcontractor hit an underground sewer while undertaking this work which resulted in damage to the sewer and the spillage of a significant volume of raw sewage. The utility contractor was held vicariously liable for the actions of the sub-contractor and for costs in respect of repair to the sewer and clean-up of the spilled sewage.

Grading Contractor

- A contractor was constructing a road in an area where the water table was extremely shallow which necessitated extensive dewatering to allow excavation to the sub-grade level. After the dewatering wells had been drilled and pumping had been in progress for two days, the contractor detected petroleum hydrocarbon odor in the groundwater being extracted. Petroleum hydrocarbons had leaked from an underground tank near the project site into the groundwater. This was then exacerbated by the dewatering operations for the new road which was pulling the contaminated groundwater underneath the site. In a pump and treat remediation program lasting several weeks, the contractor was required to clean up both the soil and groundwater in respect of the exacerbation of pollution conditions arising from his actions.

Excavation Contractor

- A contractor was hired to perform grading operations for roads at a new sub-division. The contractor was following the engineering plans provided by the engineering firm. Unfortunately, the plans were incorrect, leading to an improper slope. When the first rain storm occurred, storm water ran off into the basements of several homes causing property damage. The excavation contractor was named in the lawsuit as well as the engineering firm. The end result: The excavation contractor was eventually dismissed, but not until \$100,000 was spent on defense costs.

Flooring Contractor

- A general contractor (GC) installed new carpeting in an office building. One week after installation, the building owner informed the GC that employees were complaining of headaches and dizziness. This was attributed to the odors from the new carpets. The GC could not prove that the manufacturer of the carpet or the carpet adhesive was responsible; thus, the GC was left with the claim. The GC filed a claim with their general liability carrier. The claim was denied due to the fact that hazardous materials such as formaldehyde and volatile organic compounds associated with the carpeting and adhesives are pollutants.

Mechanical Contractor

- A contractor was called to a site where an underground storage tank was being removed. He was contracted to loosen a heavy coupling for which the tank removal company did not have the adequate tools. Several days after leaving the site, having shaken the pesky coupling free, the contractor was notified that he was being sued for the tank leaking underground, spilling hundreds of gallons of gasoline into the soil. It seems that the contractor dropped a heavy wrench down the intake spout of the fiberglass tank, cracking the bottom and causing the leak. Total costs to defend himself (he alleged that there was no way of knowing whether something else caused the leak) and pay damages exceeded \$250,000.

*** Previously provided by American Safety Insurance who was acquired by Crum & Forster Insurance*

RISK PLACEMENT SERVICES

Contact_Us@RPSins.com
Ph: 866.595.8413 • Fax: 480.281.5627
RPSins.com