



CLAIMS SCENARIOS

CONTRACTORS ENVIRONMENTAL COVERAGE

Remediation Expense and Property Damage: \$350,000

While a utility construction company was replacing natural gas meters, mercury was spilled from a meter and went unnoticed. The family that owned the house where the work was performed found a small pool of mercury in their basement several weeks later. The mercury had vaporized and was absorbed into their belongings stored in the basement. The contractor was sued for \$350,000 in remediation expenses to test the house and remove the mercury, as well as expenses incurred for property damage to the contents that were affected by the spilled mercury.

Defense Costs: \$15,000

A fire and water restoration contractor was accused of not remediating mold at a home where he was contracted to do so. The homeowner had other work performed that caused the mold but brought all contractors and sub-contractors into a lawsuit. The insured incurred \$15,000 in costs to defend themselves against the groundless claim.

Remediation Expense and Business Interruption: \$80,000

A telecommunications contractor performed trenching to lay fiber-optic cable. The contractor crushed a sewage line causing sewer back-ups at several businesses. This resulted in lost revenue to area businesses and clean-up costs in the amount of \$80,000.

Bodily Injury and Defense Costs: \$75,000

A concrete contractor poured a new basement floor as part of a building remodel. The curing agent for the concrete contained the chemical xylene. A tenant, who entered the construction area, became overcome by fumes, fell and broke an arm. The contractor's General Liability policy denied coverage due to the pollution exclusion. Their environmental liability policy paid \$75,000 in medical and defense costs.

Remediation Expense: \$250,000

A site preparation and grading contractor regraded a site for a housing development. The contractor did not recognize contaminated soil encountered during the grading process. The contractor spread the contaminated soil over the site resulting in clean-up costs. The contractor was held responsible for the \$250,000 in clean-up costs associated with removing all of the contaminated soil that they had spread at the site.

Property Damage Costs and Natural Resource Damages: \$150,000

A street and road contractor was building a new road along a river when a heavy rain washed soil into the river, killing fish and plants, and clogging a downstream municipal water intake. The state determined that the contractor used inadequate soil erosion controls and he was held responsible for \$150,000 for municipal water equipment replacement costs, as well as restoring the fish and wetlands.

Remediation and Restoration Costs: \$100,000

A concrete contractor was hired to pour concrete for a parking lot. The re-bar that was installed prior to pouring the concrete struck a petroleum line causing a leak. The leak was not detected immediately. Remediation and restoration expenses included the cost to remediate the contaminated site and to re-pour the concrete which totalled nearly \$100,000.

Mold Remediation: \$200,000

A drywall contractor working on a project to build a new multi-story building nicked a water pipe with a drywall screw while working on the fourth floor. This caused a slow leak behind the drywall that went down to the first floor resulting in mold growth throughout the floors below. The affected drywall was removed and replaced and the mold remediated at a cost of \$200,000.

Asbestos Remediation: \$500,000

An excavation and grading contractor was hired to grade an industrial site after demolishing the existing buildings. The property was being developed into a new shopping mall. Unknown to the contractor, the site had asbestos left in the soil from the demolition. While grading the site, the contractor spread asbestos contaminated soil over 80% of the property. As a result, the contaminated soil had to be removed and disposed of properly at a cost of \$500,000.

Mold Remediation: \$500,000

A general contractor was awarded a project to replace drafty windows in an old apartment complex. During the replacement, the contractor did not use the proper flashing to keep water from entering joints between dissimilar building materials. As a result of improper flashing installation, water penetrated into the building leading to mold issues. The mold remediation and restoration costs exceeded \$500,000.

Legionella Bodily Injury and Defense Costs: \$750,000

An HVAC contractor was hired to replace HVAC equipment and ductwork in a senior living center. As a result of improper sealing of some of the ducts, condensation built up allowing legionella growth. Several residents became infected, which led to a claim for bodily injury against the HVAC contractor amounting to over \$750,000 once defense costs were factored in.

PCB Remediation: \$75,000

A demolition contractor took down a three story building. Unknown to the contractor, there was an electrical transformer located in a small storage area within the building. During the demo, the electrical transformer was crushed releasing polychlorinated biphenyls (PCBs) into the demolition debris. When the debris was tested before being sent for disposal, the PCBs were discovered. The contractor had to pay \$75,000 more in disposal costs than what the clean demolition debris disposal costs would have been.

Mold Remediation and Defense Costs: \$100,000

A utility contractor was hired to install a new storm water drainage system in a residential neighborhood. When the system was installed, the contractor inadvertently left construction debris in the system. During a severe rain event, rain water backed up in the system due to the construction debris flooding the basements of several homes. The loss cost the contractor over \$100,000 for defense costs and mold abatement in the homes.

ABOUT US

Company Profile

Tokio Marine Specialty Insurance Company is a wholly owned subsidiary of Philadelphia Consolidated Holding Corporation (PHLY), a member of the Tokio Marine Group. Tokio Marine Specialty is an Excess and Surplus lines commercial insurance carrier serving specialized industries in all 50 states, including Washington, D.C. and the U.S. Virgin Islands. PHLY is rated "A++" (Superior) by the A.M. Best Company and "A+" by Standard & Poor's. The Tokio Marine Group has more than 30,000 employees in 39 countries. The Group is ranked within the Top 20 life/non-life insurance company groups in the world based on market capitalization.

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