

CONSTRUCTION

CLAIMS Solutions

Design/Build Church Project

When a pollution release, spill or other incident occurs, you want to make sure you have the carrier with the most experienced environmental claims counsel and technical consultants handling your claim. XL's Environmental group has 25+ years of environmental expertise. Our environmental claims staff has experience responding to and remediating pollution incidents as well as expertise in managing environmental litigation and interacting with regulators.

The information contained herein is intended for informational purposes only. Insurance coverage in any particular case will depend upon the type of policy in effect, the terms, conditions and exclusions in any such policy, and the facts of each unique situation. No representation is made that any specific insurance coverage would apply in the circumstances outlined herein. Please refer to the individual policy forms for specific coverage details.

"XL Insurance" is the global brand used by XL Group plc's (NYSE: XL) insurance companies. Coverages underwritten by Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Specialty Insurance Company and XL Insurance Company Limited—Canadian Branch. Coverages not available in all jurisdictions

0-153-1_5/2010

THE CLAIM

An insured contractor was retained to build a church under the design/build construction project delivery method. After the church was completed, the owner noticed cracked concrete, uneven floor tiles, and damage to interior and exterior walls. It was determined that excessive moisture had migrated under the church, causing the foundation to heave. The owner filed suit against the insured contractor. Allegations against our insured contractor included improper site grading away from the building and a failure to adequately design the void boxes used under the tilt-up wall panels of the church.

THE RESPONSE

XL's environmental claims attorney monitored the case which was being defended by the insured's general liability carrier as a construction defect claim involving improper grading. Close communication with the insured was maintained throughout the legal process. Over time, the claim evolved from a construction defect claim into a professional liability claim, due to allegations that our insured should have detected the grading specification omission in the grading subcontractor's plans.

THE SOLUTION

The general liability (other carrier) and professional liability (XL) carriers agreed to allocate 40% of the damages to the professional liability carrier and 60% to the general liability carrier. Ultimately, XL paid over \$1 million under the insured's combined Professional and Contractor's Pollution Legal Liability Policy to resolve the claim against our insured.

For more information on how XL can help you manage your exposures, please contact your environmental underwriter or Sales & Marketing at:

800-327-1414

www.xlinsurance.com/environmental

