ENVIRONMENTAL SERVICES

CLAIMSSolutions

Error in Cap Testing Data Submitted to Regulators

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

0-155-2_5/2010

THE CLAIM

An XL insured environmental consultant provided landfill closure services to a landfill client. The insured's services included certification to authorities of the moisture content of the soils used in the landfill cover. Incorrect cap testing data was inadvertently used in the insured's closure certification to state authorities. This error resulted in the insured certifying to state authorities that the state's standards were met, when they had not been met. The insured's client sued the insured, alleging that as a result of the insured's acts, errors and omissions in its professional services, a Notice of Violation from the state was issued and increased regulatory scrutiny of the client resulted in increased closure costs.

THE RESPONSE

XL's environmental claims counsel worked closely with the insured to assess the allegations and claimed damages. XL retained local defense counsel to defend the insured in the litigation. XL's investigation revealed that the insured's client could likely establish $500,000 in damages as a result of the error.

THE SOLUTION

Defense counsel and the insured attended arbitration with the insured's landfill client, resulting in an early, favorable settlement for our insured. XL paid $270,000 on the insured's behalf under the insured's Professional and Contractor's Pollution Legal Liability Policy to resolve the claim.

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

25+ Years Environmental Insurance Expertise

XL INSURANCE