ENVIRONMENTAL SERVICES

CLAIMSSolutions

Alleged Negligent Laboratory Analysis

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

0-155-4_5/2010

THE CLAIM

An XL insured laboratory contracted with a general contractor (GC) to provide analysis of mold spores taken from a hospital mold remediation and reconstruction project. Following a failed remediation project, the hospital sued the GC alleging various errors in the GC's project services. The GC filed a third-party action against our insured for $4,500,000, alleging that failures on the project resulted from the insured's acts, errors or omissions in its laboratory analysis of the mold spores.

THE RESPONSE

XL's environmental claims counsel retained local defense counsel to defend the insured in the litigation. XL's environmental claims counsel and defense counsel worked closely with the insured to investigate the allegations. A determination was made that the insured had used an incorrect procedure for the analysis of the mold spores. However, defense counsel was able to successfully argue that the insured's alleged negligence did not result in any substantial damages to the GC or hospital.

THE SOLUTION

At a subsequent mediation, the claim was settled against our insured for a fraction of the claimed damages. XL paid $350,000 under the insured's Professional and Contractor's Pollution Legal Liability Policy to resolve the claim on the insured's behalf.

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