ENERGY INDUSTRY

CLAIMS Solutions

Heavy Metal Contamination from Coal-Fired Power Plant

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.

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THE CLAIM

An XL-insured coal-fired power plant stored baghouse dusts containing heavy metals in an uncovered dumpster behind the facility. Whenever it rained, storm water mixed with the dust, forming a slurry, which eventually migrated off-site. Contamination to an adjoining, third-party property was determined to have occurred over the course of several years. These releases were identified during a regulatory agency compliance inspection.

THE RESPONSE

XL's environmental claims counsel and a technical consultant handled the claim for our insured. Off-site soil sampling demonstrated high levels of lead, cadmium and mercury heavy metal concentrations. The contamination was determined to be storm water run-off from the dumpster. The regulatory agency issued a $400,000 fine, required additional site investigation and remediation to the adjacent property.

XL also helped the insured assess its other facilities for the same issue and retained a third-party consultant who issued recommendations in an effort to help prevent a similar occurrence at other insured locations.

THE SOLUTION

The insured's Pollution and Remediation Legal Liability Policy paid in excess of $250,000 in a settlement for the costs and expenses associated with remediation of the adjacent property. An early settlement of the claim helped to preserve the insured's policy limits. The insured also implemented the third-party consultant's recommendations for its other facilities.

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