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Claim Overview

Industry/Class of Business:	Municipality
Pollutant:	Illegal Dumping
Type of Claim:	Property Damage / Cleanup Costs
Citation:	<i>Town of Harrison v. National Union Fire Insurance Co. of Pittsburgh</i> , 89 N.Y.2d 308 (NY, 1996)

Overview

The Town and Village of Harrison, NY were sued by four separate property owners, who alleged that waste materials illegally dumped onto Town property had spread to their property. A contractor hired by the Town to re-grade certain of its properties had left contaminated wastes and fill material behind, illegally disposing of the material on municipal property.

The neighboring property owners brought claims against the Town and Village to recover property damages and environmental cleanup costs incurred as a result of the illegal dumping.

The Town and Village submitted these claims to their insurers, seeking a defense and indemnity. The insurers all denied coverage, citing pollution exclusions in the policies.

The Court held that it did not matter whether the Town itself had engaged in dumping or a third party had illicitly dumped the material onto Town property. The Court ruled in favor of the insurers, and the Town and Village were left uncovered for these claims.

Potential Implications

This case demonstrates exposure to municipalities from illicit dumping activities. These activities are difficult to prevent through traditional risk management practices.

Disclaimer: The above information is provided as a general summary of the cited claim. Please refer to the citation itself for a complete copy of the cited claim. Additionally, this Claims Overview is not an affirmative statement as to the availability of insurance coverage for a particular Client or Insured. Please refer to the actual terms of your policy or quotation regarding definitive terms and conditions of coverage.

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Claim Overview

Industry/Class of Business:	Municipalities / Office Buildings
Pollutant:	Silica Dust
Type of Claim:	Property Damage
Loss Amount:	\$1M
Citation:	<i>Broome County v. The Travelers Indemnity Co.</i> , 125 A.D.3d 1241 (NY, 2015)

Overview

Broome County owned a government building complex in Binghamton, New York. The County maintained first-party property insurance with Travelers.

General contractors working under the authority of the state's Office of General Services were engaged on the reconstruction of an underground parking garage. The contractors failed to install adequate protective barriers to prevent dust from infiltrating into an elevator shaft.

During the reconstruction, silica dust migrated up the shaft and was dispersed throughout all floors of the County building. Testing and cleanup expenses to remediate damage from the silica dust were in excess of \$1M. In addition, County employees had to be re-located for over a month following the incident.

The County submitted a property damage claim to Travelers under its property policy, which contained a pollution exclusion. The court held that **the exclusion barred coverage for the silica dust damage**.

Potential Implications

This case demonstrates pollution exposure for municipal-owned properties, where existing property coverage may contain exclusions.

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Claim Overview

Industry/Class of Business:	Municipality / School
Pollutant:	Pesticide / Fogging Chemicals
Type of Claim:	Bodily Injury
Loss Amount:	>\$100,000
Citation:	<i>Argonaut Great Central Insurance Co. v. Picayune School District</i> , 2005 WL 6933762 (MS, 2010)

Overview

A public school district conducted spraying/fogging within its classrooms and buses in response to an outbreak of the flu/swine flu virus in 2009-2010. A student became ill and was hospitalized with respiratory issues, allegedly caused by exposure to the spray/fog chemicals within the school.

The student's family brought claims against the school, alleging that the student's injuries were caused by the school's negligence in using spray/fog chemicals within its buildings. The complaint sought more than \$100,000 in medical expenses as well as lost wages for the parents.

The school district submitted the claim to its insurer. However, the school's Commercial General Liability (CGL) policy contained a pollution exclusion, and the insurer denied coverage on this basis.

The Court determined that the CGL policy did not cover these claims.

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Claim Overview

Industry/Class of Business: **Municipalities / Skating Rinks**
Pollutant: **Nitrogen Dioxide**
Type of Claim: **Bodily Injury**
Citation: *League of Minnesota Cities Insurance Trust v. City of Coon Rapids, 446 N.W.2d 419 (MN, 1996)*



Overview

The City of Coon Rapids, Minnesota owned and operated an ice arena.

Over a three-month period, a malfunctioning Zamboni ice cleaning machine allegedly caused a buildup of nitrogen dioxide within the arena. Several people experienced respiratory issues and lung injuries, and brought bodily injury claims against the City.

The City was a member of the League of Minnesota Cities Insurance Trust, a self-insuring risk pool for Minnesota cities. However, the policy contained a pollution exclusion, and the City's claim for defense/indemnity was denied.

The Court agreed with the insurer, finding that the release and dispersal of nitrogen dioxide within the City's ice arena was a release of pollutants and therefore excluded by the pollution exclusion.

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