

FIRST PARTY CLAIMS CONFERENCE

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ENVIRONMENTAL CONSIDERATIONS IN FIRST PARTY INSURANCE CLAIMS

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TYPICAL POLICY TERMS

COMMERCIAL PROPERTY POLICY

V. EXCLUSIONS

The Excluded Perils shown in Paragraphs A. B. C. and D. below apply to all coverages unless otherwise stated.

A. Excluded Perils Subject to Concurrent Causation Provisions

With respect to the excluded perils below, the Insurer will not pay for loss of or damage to property **directly or indirectly caused by or resulting** from the following causes of loss or events: . . . Fungi, Wet Rot, Dry Rot and Microbes; . . . regardless of: the causes of such excluded causes or events; other causes of such loss; any other cause or event, whether or not insured under the coverage part, **which may have contributed concurrently, or in any sequence, to produce such loss even if such other cause or event would otherwise be covered**; and whether the event occurred suddenly or gradually, involved isolated or widespread damage, arose from natural or external sources or acts or omissions, or occurred as a result of any combination of any such causes or events.

5. Fungi, Wet Rot, Dry Rot and Microbes

The Insurer will not pay for loss or damage caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of fungi, wet or dry rot, or microbes. However, this exclusion does not apply when fungi, wet or dry rot, or microbes results from fire or lightning.

Defined Terms Fungi means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. Fungi does not include any fungi intended by the Named Insured for consumption.

COMMERCIAL PROPERTY POLICY

V. EXCLUSIONS

B. Other Excluded Perils

....

5. Contaminants or Pollutants

The Insurer will not pay for loss or damage caused by or resulting from discharge, dispersal, seepage, migration, release or escape of contaminants or pollutants. This exclusion applies unless the discharge, dispersal, seepage, migration, release or escape of contaminants or pollutants is itself caused by a specified peril.

However, if the discharge, dispersal, seepage, migration, release or escape of contaminants or pollutants results in a specified peril, the Insurer will pay for that portion of the loss or damage solely caused by such specified peril.

Defined Terms. Contaminants or Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COMMERCIAL PROPERTY POLICY

I. COVERAGES

B. If the Insurer pays for loss or damage to any Insured property, the Insurer will also pay for the following costs and expenses incurred in connection with such covered loss or damage.

3. Debris Removal Costs and Expenses

The Insurer will pay the costs and expenses incurred to remove debris of covered property remaining after such loss or damage.

Debris Removal Costs and Expenses does not include the costs or expenses of removing, extracting or disposing of contaminants or pollutants from land or water.

COMMERCIAL PROPERTY POLICY

III. Additional Coverages

The following ADDITIONAL COVERAGES apply up to the applicable Limit of Insurance shown under the Business Property Schedule of Coverages and Limits.

A. Contaminants or Pollutants Clean Up and Removal Coverage — Property Damage and Time Element Combined

1. The Insurer will pay for the reasonable costs and expenses to extract or remove contaminants or pollutants from land or water at a location or reported unspecified location, provided such contaminants or pollutants are in the land or water as a direct result of a covered peril. These costs and expenses include the costs and expenses to test for, monitor or assess the existence, concentration or effects of contaminants or pollutants.

The Insurer will pay these costs and expenses only if reported to the Insurer within 180 consecutive days of the date on which the covered peril occurs.

3. The most the Insurer will pay for all loss, cost or expense combined under this ADDITIONAL COVERAGE is the Contaminants or Pollutant Clean Up and Removal Coverage — Property Damage and Time Element Combined Limit of Insurance

Schedule of Additional Coverages

Contaminants or Pollutants Clean Up and Removal Coverage - Property Damage and Time Element Combined	\$10,000 Each Location
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COMMERCIAL PROPERTY POLICY

III. Additional Coverages

- K. Fungi, Wet Rot, Dry Rot and Microbe Coverage — Property Damage and Time Element Combined
1. The Insurer will pay the following provided fungi, *etc.* are the **direct result of a covered peril**:
 - a. direct physical loss of or damage to covered property caused by fungi, *etc.* including cost of removal;
 - b. reasonable cost to tear out and replace covered property needed to gain access to the fungi; and
 - c. the cost of testing performed after restoration of the damaged property is completed.
 2. To the extent time element coverage is applicable, the Insurer will also pay for actual loss of business income during the period of restoration; and extra expense, due to the: (i) direct physical loss of or damage to covered property caused by fungi, *etc.* that are the result of a covered peril, other than fire or lightning; or (ii) prolonged period of restoration due to the remediation of fungi, *etc.* from a covered loss.
 3. The most the Insurer will pay under this ADDITIONAL COVERAGE for all loss, damage, cost or expense combined in the policy period is the Fungi, Wet Rot, Dry Rot and Microbe Coverage — Property Damage and Time Element Combined Aggregate Limit of Insurance.
 4. The Fungi, Wet Rot, Dry Rot and Microbes Excluded Peril under the EXCLUSIONS section does not apply, but only to the extent of the coverage provided under this ADDITIONAL COVERAGE.

Schedule of Additional Coverages

Fungi, Wet Rot, Dry Rot & Microbe Coverage - Property Damage & Time Element: \$25,000 Aggregate

HOMEOWNERS POLICY

SECTION I — PROPERTY EXCLUSIONS

1. We do not cover loss to any property resulting directly or indirectly from any of the following. Such a loss is excluded even if another peril or event contributed concurrently or in any sequence to cause the loss.

....

(j) contamination or pollution, meaning any interior or exterior presence or use, discharge, dispersal, release, migration, seepage, leakage, or escape of:

(1) solid, liquid, gaseous, or thermal irritants or contaminants, except smoke arising solely from a hostile fire or the sudden and accidental discharge from a fireplace or furnace;

(2) vapors, soot, fumes, acids, alkalis, toxic chemicals, toxic liquids, toxic gases, or waste;

(3) fuel oil and other petroleum products; or

(4) any other waste materials or other irritants, contaminants or pollutants.

....

(m) biological deterioration or damage, except as provided by Section I — Additional property coverages — Biological deterioration or damage clean up and removal.

HOMEOWNERS POLICY

Biological deterioration or damage clean up and removal. In the event that a covered cause of loss results in biological deterioration or damage to property covered under Coverages A, B, and C, we will pay for

- a) the cost to clean up, remove and dispose of the biological deterioration or damage to covered property;
- b) the cost to tear out and replace any part of the building or other covered property needed to gain access to the biological deterioration or damage;
- c) the cost of testing which is performed in the course of clean up and removal of the biological deterioration or damage from the residence premises; and
- d) additional living expenses you may incur that results from items a), b) or c) above.

The coverage amount shown on the Declarations for this Additional property coverage is the most we will pay for all loss or costs payable under this Additional coverage. **Such costs are payable only if you report the biological deterioration or damage to us within 180 days of having first discovered the biological deterioration or damage.** The covered cause of loss that causes or results in biological deterioration or damage to covered property must have occurred during the policy period. This is an additional amount of coverage.

BIOLOGICAL DETERIORATION/DAMAGE CLEAN UP

\$5,000 Limit

ENVIRONMENTAL CLAIM SCENARIOS

SMOKE FROM WILDFIRES

Facts

- Insured operates Oregon Shakespeare Festival; venue is an open-air, partially enclosed structure.
- In late July and early August, 2013, smoke from several different wildfires was present in the area.
- The smoke, ashes, and dust permeated the interior of the theatre, coating the seating, HVAC, lighting, and electronic systems.
- The fires caused smoke, soot, and ash to accumulate on the surface of the hard plastic seats and concrete ground of Insured's open-air theater.
- Insured's employees cleaned up the soot and ash before scheduled performances each day using rags and buckets of water; no special chemicals or other cleaning equipment were needed; cleanup took between 20 minutes and one hour each day; employees were not paid overtime for the time spent cleaning the soot and ash; employees' schedules remained the same, but their duties were slightly reallocated to deal with the soot and ash.
- Employees changed air filters three or four times during this period.
- Insured decided to cancel a total of four separate evening performances due to health concerns from the poor air quality caused by the surrounding forest fires.
- Insured admitted that no public authority of any kind ordered cancellation of the performances due to air quality concerns.
- Insured claimed it suffered loss or damage to property when smoke from a nearby wildfire filled its theater causing insured to cancel performances and lose business income.

Insurance Policy Terms

- We will pay for direct physical loss of or damage to covered property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- We will pay for the actual loss of Business Income you sustain due to the necessary “suspension” of your “operations” during the “period of restoration.” The “suspension” must be caused by direct physical loss of or damage to property at the premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations.
- Policy defines “period of restoration” as: the period of time that begins (1) at the time of direct physical loss or damage for Business Income Coverage; or (2) immediately after the time of direct physical loss or damage for Extra Expense Coverage; and ends on the earlier of the date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
- Exclusions. We will not pay for loss or damage caused directly or indirectly by smoke, vapor or gas from agricultural smudging or industrial operations. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

COVERED?

COVERED

The parties disagree over the term “direct physical loss of or damage to covered property.” It is undisputed that the interior of the building had to be cleaned, the air filters had to be changed multiple times, and smoke in the air within the theater had to dissipate before business could be resumed. While the cleaning took merely a few hours, the dissipation of the smoke took several days, during which time the Insured was forced to suspend operations. Insurer claims that this period of time cannot be considered “restoration” because no structural repairs were necessary. The Court can find no such limitation within the terms of the policy. The Court finds that defendant's interpretation, which would add the word “structural,” and exclude the air within the building, is not a plausible plain meaning of the term “direct physical loss of or damage to property.”

The specific smoke exclusion is limited to “smoke, vapor or gas from agricultural smudging or industrial operations.” Such a limited exclusion does not apply to this case, as there is no evidence of agricultural smudging or industrial operations.

“Pollutants” means “any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.” This provision does not apply because there is no required “enforcement of or compliance with any ordinance or law.”

Insured's motion for summary judgment is granted.

Oregon Shakespeare Festival Ass'n v. Great Am. Ins. Co., 2016 WL 3267247 (D. Or. June 7, 2016), *vacated by stipulation of parties*, 2017 WL 1034203 (D. Or. Mar. 6, 2017).

MOLD DAMAGE AT JEWELRY STORE

Facts

Fall 2013 Insured first noticed foul odor permeating leased premises
Smell resembled rotten eggs and mold, and prompted daily customer comments.

Sept. 2014 Odor became intolerable.

Dec. 2014 Insured noticed water leak & mold.

April 2015 Insured submitted claim for business interruption.

May 2015 Independent adjuster's report: long term leak ongoing since at least Dec. 2014, evidence of rust on the steel framing in wall.

June 2015 Closed business.

Nov. 2015 Reopened at new location.

Insurance Policy Terms

- Policy covers lost business income due to the necessary suspension of operations caused by direct physical loss of or damage to covered property that was caused by or results from a specified cause of loss.
- A specified cause of loss means, inter alia, "water damage."
- Policy excludes loss or damage that result from continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- Policy excludes coverage for fungi, which includes mold and mildew, unless the fungi result from a specified cause of loss.

Covered?

MOLD DAMAGE AT JEWELRY STORE

Not Covered.

"Goldsmiths does not cite any evidence to support the theory that the mold, odor, and water leak were causally unrelated. . . . Even viewing the evidence in the light most favorable to Goldsmiths, no rational jury could find that the continuous water leak that occurred in 2014 over a period of 14 days or more from the adjacent restaurant did not cause the mold and odor that caused Goldsmiths' loss of business income. Accordingly, the court grants Jewelers Mutual's motion for summary judgment"

Michael Borovsky Goldsmith LLC v. Jewelers Mut. Ins. Co., 359 F. Supp. 3d 306 (E.D.N.C. 2019).

LEAD AND ASBESTOS BUILDING MATERIALS

Facts

- Yale received directives from governmental authorities requiring it to remove and clean up asbestos and lead paint contamination in **certain of its buildings**. In response, Yale undertook **campus-wide** removal efforts.
- Yale presented evidence that it undertook emergency asbestos removal and abatement where: a student knocked down a door and released asbestos into a dorm; asbestos in a lab ceiling was damaged by students running cabling through it; asbestos insulation fell off pipes in a tunnel system underneath buildings; and asbestos-containing materials sustained water damage.
- Yale presented evidence that some of its buildings contained chipping, flaking or peeling lead paint, powdered lead and/or lead dust.
- Thus, Yale presented sufficient evidence to create a triable issue of fact concerning whether some of its claimed losses were incurred as a result of contaminating lead and asbestos, and not because of pro-active efforts to address possible contamination or to facilitate voluntary remodeling or renovation work.

Insurance Policy Terms

- Yale's all risk first-party property policies insured against all risk of physical loss of or damage to property.
- The policies exclude coverage for loss or damage caused by, resulting from, contributed to, made worse by actual or alleged or threatened release, discharge, escape or dispersal of CONTAMINANTS or POLLUTANTS.

COVERAGE?

PARTIAL COVERAGE, FOR NON-VOLUNTARY LEAD PAINT REMEDIATION

Yale has sustained its burden of demonstrating that it has suffered “physical loss of or damage to property” as required under the policies for the presence of asbestos or lead contamination in its buildings. . . .

There can be little doubt that any asbestos contamination in Yale's buildings rendered them “unfit for use by the introduction of unwholesome or undesirable elements” and/or “physically impure or unclean,” and therefore that the contaminating asbestos would be a “contaminant” or “pollutant” under the policies' Contaminant Exclusion.

The *Novella* decision holds that lead paint is not unquestionably a “solid irritant,” “contaminant” or “pollutant” because the reach of the pollution exclusion clause must be circumscribed by reasonableness, and because the overwhelming trend has been to hold that pollution exclusion clauses do not exclude contaminants such as lead paint poisoning.

Yale is not entitled to coverage for losses caused by asbestos contamination because such claims are barred by the policies' unambiguous Contaminant Exclusion. The Insurer is not, however, entitled to summary judgment on all of Yale's claims for coverage of losses caused by lead contamination, to the extent that Yale seeks coverage for costs it incurred for non-voluntary lead-based paint remediation.

Yale Univ. v. Cigna Ins. Co., 224 F. Supp. 2d 402 (D. Conn. 2002).

LEAD CONTAMINATION FROM ELECTRONICS RECYCLING

Facts

Jan. 20, 2015	Landlord leased property to Tenant.
May 21, 2015	Landlord discovered that Tenant was storing and recycling televisions, computers, and lead-bearing CRTs.
May 22, 2015	Landlord sent a notice of default to Tenant and threatened to evict them for handling hazardous materials at the property in violation of the lease.
May 25, 2015	Tenant assured Landlord that Tenant was not processing hazardous material.
Jul. 21, 2015	Tenant purchased Environmental Impairment Liability (EIL) policy, naming landlord as additional insured.
Oct. 27, 2015	Landlord visited the Property. This was the first time that Landlord believed Tenant's operations rose to the level of pollution that would justify a claim under the EIL Policy.
Oct. 27, 2015	Landlord made a claim under the Policy for lead contamination and physical property damage.

Insurance Policy Terms

- EIL Policy covers property damage and cleanup costs resulting from a sudden and abrupt covered pollution condition at, on, under, or migrating from the property.
- A pollution condition is the discharge, dispersal, seepage, migration, release or escape of pollutants during the policy period.
- Insured **must report pollution condition** to insurer within 21 business days following its discovery; claim must be made within 7 days from when the pollutants are first discovered.
- Known conditions exclusion precludes coverage for any damages arising out of pollution conditions that existed before the policy period inception date or that were known to the insured at any time before the policy period began.
- “Your property – damage or cleanup costs” exclusion precludes recovery for claim caused by, arising out of or in any way related to property damage or cleanup costs for property owned, leased or operated by Tenant, or property in Tenant's care, custody or control, even if any cost is incurred or expended to avoid or mitigate further damage or claims.

COVERAGE?

COVERAGE IS A JURY QUESTION.

There is a dispute of material fact as to whether Landlord's report and claim were timely filed. It is not disputed that Landlord filed a notice for a claim on October 27, 2015. Accordingly, under Landlord's version of the facts, Landlord discovered the handling of hazardous materials in May, but did not believe it was an environmental claim because Tenant was not mishandling it. Landlord testified that it was not until October that he believed he had an environmental claim based on the uncontained materials. Merely handling hazardous material does not indicate that the lead contamination occurred; Landlord testified to the contrary. Rather, the insurance policy requires a “discharge, dispersal, seepage, migration, release or escape of ‘pollutants.’” There is no evidence that any such discharge occurred before October 27. . . .

Insurer's Motion for Summary is DENIED to the extent Landlord seeks to recover damages under the EIL coverage form for costs incurred in remediating the Property as required by the Texas Commission on Environmental Quality.

HLT Properties, LLC v. Evanston Ins. Co., 388 F. Supp. 3d 718, 734–35 (W.D. Tex. 2019).

VAPORS FROM COOKING METHAMPHETAMINE

Facts

- Feb. 16, 2016 DEA executed a search warrant at the Insured's rental property. The DEA agents discovered and seized a clandestine methamphetamine laboratory. DEA damaged the front door, and also broke out several windows to ventilate the home.
- Feb. 18, 2016 DEA contacted insured and informed him that the property was unsafe to enter due to the presence of toxic and/or hazardous materials as a result of the clandestine methamphetamine laboratory activity.
- Feb. 24, 2016 Insured notified State Farm of the loss and damages; estimate to clean up meth lab damage was \$77,500.
- May 3, 2016 State Farm denied coverage for the meth lab cleanup, based upon its contention that the hazardous methamphetamine residue constitutes "contamination" within the meaning of the policy and that, therefore, the loss was not covered.

Policy Terms

- The policy insured for accidental direct physical loss to Plaintiffs' rental home, except as provided in Section I – Losses Not Insured.
- Section I – Losses Not Insured. We do not insure for loss to the property described in Coverage A and Coverage B either **consisting of, or directly and immediately caused by**, one or more of the following:
 - **vandalism** and malicious mischief if the dwelling has been vacant for more than 30 consecutive days; and
 - **contamination**.
- Policy did not define "vandalism," "malicious mischief," or "contamination."

COVERED?

COVERED? JURY QUESTION

The Court finds the language of the policy with respect to coverage for the Insured's loss to be ambiguous. Neither “vandalism” nor “contamination” are defined within the policy, leaving the classification of damages from the operation of a meth lab open to multiple interpretations. . . .

State Farm's Operating Guidelines provide insight on the application of the introductory language to the “Losses Not Insured” section, which states, “We do not insure for loss to the property described in Coverage A and Coverage B either consisting of, or directly and immediately caused by, one or more of the following: . . .”

According to the guidelines, the key is to identify the proximate cause of the loss. If one of the listed items is the proximate cause of the loss, the policy does not cover the loss. However, “if the most important, or proximate cause is covered, the loss is covered even if the loss ‘consists of’ the excluded event.” An illustrative example provides that if a fire (a covered peril) causes cracking in a concrete floor, the damage is covered even though it “consists of” a non-covered item. Following this example, if vandalism is a covered peril and the proximate cause of contamination (a non-covered item), then the contamination would still be covered by the policy. Therefore, whether damages from the operation of a meth lab qualify as “vandalism” or as “contamination” is relevant to determining policy coverage. . . .

Even after applying the canons of contract construction, the Court is unable to resolve the ambiguity in the contract's coverage. Coverage in this case is a question best left to a jury.

Cochran v. State Farm Fire and Casualty Company, 2018 WL 9814597, at *5 (N.D. Ga. Aug. 22, 2018).

UNDERGROUND STORAGE TANK LEAKS



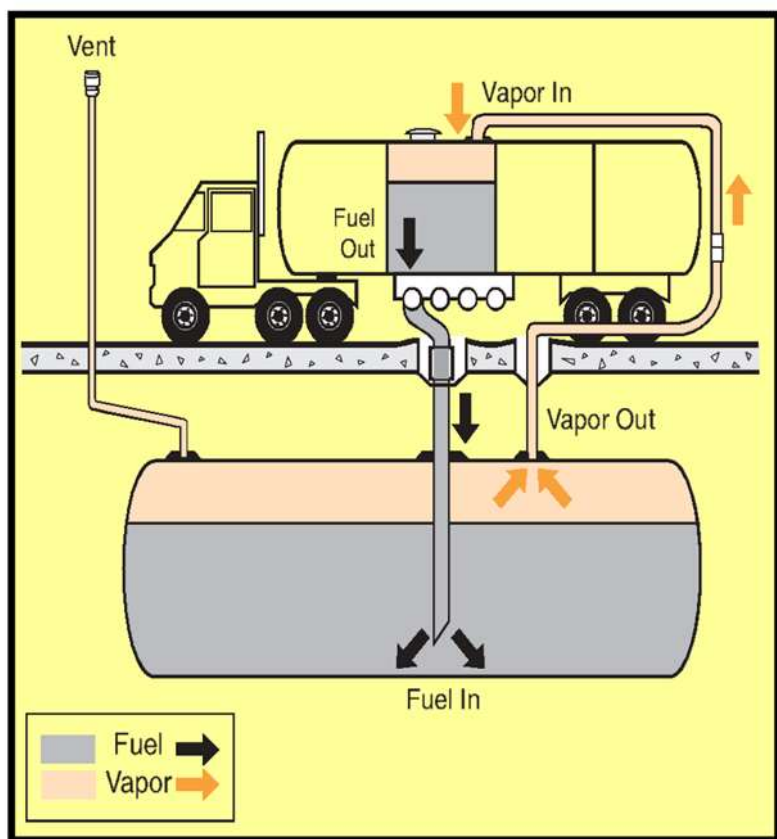


Figure 6. Diagram of Stage I vapor recovery.

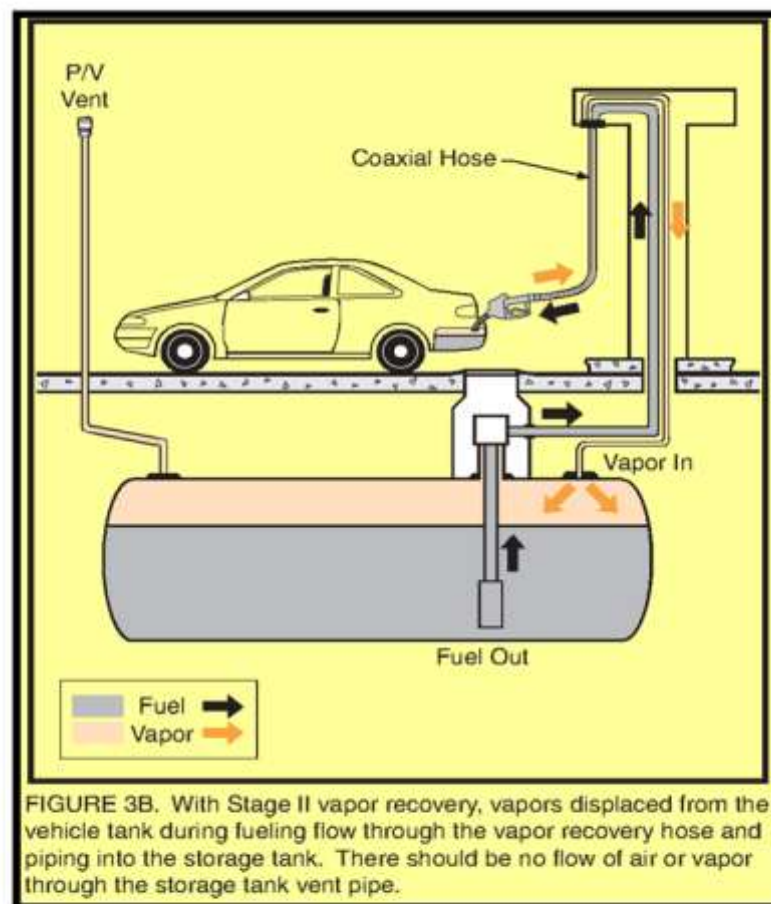


FIGURE 3B. With Stage II vapor recovery, vapors displaced from the vehicle tank during fueling flow through the vapor recovery hose and piping into the storage tank. There should be no flow of air or vapor through the storage tank vent pipe.

Figure 7. Diagram of Stage II vapor recovery.

Stage I + Stage II + Oxygenated Fuels (MTBE) = Contaminated Soil & Groundwater

Insurance Policy Terms

I. INSURING AGREEMENT

COVERAGE A: FIRST PARTY CLEANUP DISCOVERY

We will pay on behalf of the "insured" any "cleanup costs" required by "governmental authority" as a result of a "release(s)" that "emanates from" a "scheduled storage tank system(s)" at a "scheduled location", that commences on or after the "retroactive date" and is first discovered by the "insured" during the "policy period", provided the "claim" is reported to us during the "policy period", or any applicable extended reporting period.

II. DEFINITIONS

"Claim(s)" means: under Coverage A, notice by the "insured" during the "policy period" of a "release" from a "scheduled storage tank system" at a "scheduled location" which seeks the payment of "cleanup costs" required by "governmental authority"; or

"Cleanup costs" means: expenses incurred in the investigation, removal, and remediation, of contaminated soil, surface water, groundwater, or other contamination; and

"Emanates from" means coming from and originating from a "scheduled storage tank system" that is on, at or under a "scheduled location(s)".

"Release(s)" mean the discharge, dispersal, release, or escape of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste from a "scheduled storage tank system" into groundwater, surface water, or surface or subsurface soils.

"Scheduled storage tank system(s)" means a tank(s) owned or operated by you, including any connected piping, ancillary equipment and containment system that is on, within, or under a "scheduled location", identified in the Declarations or applicable Endorsement and described in the Application.

"Storage tank system(s)" means a tank(s) including any connected piping, ancillary equipment and containment system.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

EACH CLAIM LIMIT OF LIABILITY

Our liability for each "claim", including "cleanup costs" and "loss(es)" shall not exceed the amount set out in the Declarations as the Each Claim Limit of Liability. We shall not be obligated to pay any "cleanup costs", "loss(es)" or "claim expense(s)", or continue the defense of the "claim" after the Each Claim Limit of Liability has been tendered into court or exhausted by payment for "cleanup costs" or "loss(es)" .

MULTIPLE CLAIMS

Two or more "claim(s)" arising out of the same, interrelated, associated, repeated or continuous "release(s)" or a series of related "release(s)" shall be considered a single "claim", and shall be subject to one Limit of Liability and only one Deductible as set out in the Declarations, regardless of the number of "insured(s)" or claimants involved or the number or amount of "loss" or "policy period(s)" for which "release(s)", "cleanup costs" or "loss(es)", occurred and regardless of the number of "release(s)" alleged to have occurred.

Storage Tank System Third Party Liability And Cleanup Policy Declarations

Item 3: LIMITS OF LIABILITY:	\$1,000,000	Each Claim
	\$15,000,000	Total for all Claims

Certificate of Insurance Storage Tank Systems

Insurer certifies that it has issued liability insurance covering the Scheduled Storage Tank(s) Systems for taking corrective action anti compensating third parties for bodily injury and property damage caused by accidental releases; in accordance with and subject to the limits of liability, exclusions, conditions, and other terms of the policy; arising from operating the underground storage tank(s) identified above.

The limits of liability are \$1,000,000 each occurrence and \$15,000,000 annual aggregate.

JURY INSTRUCTION #20

An insurance policy must be interpreted as containing the minimum coverage required by applicable law.

Legal Authority: MPJI-Cv 14:6, Note 5(a). The Insurance Policy makes express references to 40 CFR §§ 280.52, 280.95-280.102, and 280.97, and implicit reference to COMAR §§ 26.10.02.03, 26.10.08.03, and 26.10.11.

JURY INSTRUCTION #21

State and federal law require that an insurance policy issued for the purpose of meeting UST financial responsibility requirements must provide coverage of \$1,000,000 per occurrence. Under those laws, "Occurrence" means an accident, including continuous or repeated exposure to conditions, which results in a release from an underground storage tank. "Per occurrence" means the amount of money that must be available to pay the costs from one occurrence of a leaking UST. In this case, you must interpret the Insurance Policy in a manner that is consistent with those legal requirements.

Legal Authority: COMAR 26..10.11.01.A;40 CFR § 280.93; 40 CFR § 280.92; "Financial Responsibility Requirements for Underground Storage Tanks," at 4 (USEPA, July 1995).

Hypothetical cleanup costs were \$5,000,000.

If all of three tanks experienced MTBE vapor leaks when Stage I was introduced, and again when Stage II was introduced, how much coverage does the Insured have?

\$1,000,000

\$3,000,000

\$6,000,000