

# Are You Covered By Your Auto Liability Policy?



## NATURAL RESOURCE DAMAGE

Heavy rain, poor visibility and windy conditions resulted in the overturning of a truck hauling paint and sealants, spilling its contents into a salt marsh designated as an “Area of Critical Environmental

Concern.” The pollution condition negatively affected the waterfowl and delayed the opening of the clam flats, impacting not only the natural beauty of the land but also the local economy and recreational use of the salt marsh. It resulted in a fine, and unfortunately, no coverage was provided on their general liability policy.



## RESPONSE CLEAN-UP COSTS

A trucker ran over a curb and hit a stop sign tearing open one of the truck’s fuel tanks. An estimated 70 gallons of diesel spilled onto the parking lot and into a storm

drain, which discharges into a nearby river. Firefighters, emergency hazmat crew and the local environmental agency all responded to clean up the spill and assess damages to the river. The motor carrier was held responsible for the clean-up costs, including the charges from the mobilization of the local first responders and governmental agencies.



## MCS-90 REIMBURSEMENT

A motor carrier used a leased vehicle not otherwise covered/scheduled to the auto policy. The leased vehicle

was involved in an accident that resulted in the clean-up of the released cargo and fuel. The auto carrier fulfilled its obligation under the MCS-90 and covered the clean-up costs but exercised its right to seek reimbursement from the motor carrier for the final judgement of the clean-up costs.



## BUSINESS INTERRUPTION

While traveling through a busy business district, a ready-mix truck was involved in an accident and released

concrete, which mixed with spilled diesel and gasoline from other vehicles involved in the accident. The contaminated concrete required special handling and disposal. First responders and environmental agencies rerouted traffic away from the accident scene. Local businesses submitted claims for lost revenue as a result of the accident.



# Are You Covered By Your Auto Liability Policy?



## NATURAL RESOURCE DAMAGE *NOT FROM YOUR TYPICAL POLLUTANT*

A tractor trailer for a large baked goods company hit a patch of ice on a bridge. The driver lost control and slammed into the guardrail, opening the trailer doors and releasing its contents into the icy river below. The partially frozen river slowed clean-up efforts, and cake and brownie mixes and flour combined to form a highly viscous batter that overcame a beaver dam and local fishing spot. The cake and brownie pollution condition resulted in damage to the beaver habitat and aquatic life. The motor carrier incurred clean-up costs in addition to significant fines and penalties due to the damage to the natural resource.



## TRAILERS IN TRANSIT

A semi-tractor hauling totes of paints, lacquers and sealants sideswiped a guard rail during transit, resulting in the shifting and overturn of multiple totes within the trailer. When the truck arrived at its destination, it was observed that approximately 180 gallons of paints, lacquers and sealants had been released and contaminated the inside of the trailer, prompting a hazmat response team to remediate not only the toxic mixture but also quarantine the vehicle due to toxic vapors. The auto liability carrier did not respond, and the trucking company was left paying for the hazmat response.



## PARKED AUTO COVERAGE

A motor carrier often used third-party truck lots to park and store leased trucks not in-use. Over a long weekend, vandals broke into one of the motor carrier's trucks, loosened and tampered with one of the truck's fuel tanks, resulting in the subsequent release of 300 gallons of diesel. The owner of the truck lot sued the motor carrier for clean-up costs of the diesel. The motor carrier's auto liability policy covered "covered pollution cost or expense" caused by an accident and resulting from the ownership, maintenance or use of a covered "auto" acts of vandalism were not covered, and the truck was neither owned nor in use. The motor carrier ultimately paid the clean-up costs out of pocket.



## EXCESS COVERAGE

A small family-owned motor carrier that hauls olive oil and wine was involved in an accident with loss of life and clean-up of a large quantity of spilled olive oil. The motor carrier had only \$2 million in auto liability coverage and fully exhausted its limits after settlement and initial clean-up costs. Unfortunately, residents persuaded the local environmental regulatory department to impose long-term monitoring of a nearby creek and surrounding land, resulting in additional and unforeseen clean-up costs. With its limits exhausted for this occurrence, the motor carrier was responsible for paying the remaining clean-up costs.

For agent/broker distribution only. Online portal may not be available at all times. The insurance products described may not be available in all states. All coverage is subject to underwriting. The claims scenarios in this material are provided to illustrate possible exposures faced by your clients. The facts of any situation which may actually arise, and the terms, conditions, exclusions, and limitations in any policy in effect at that time, are unique. Thus, no representation is made that any specific insurance coverage applies to the above claims scenarios. Coverage description is summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Policies are underwritten by an A+ rated surplus lines insurer, eligible to underwrite surplus lines insurance in all 50 states and the DC. This is not intended as solicitation or offer to sell an insurance product in a jurisdiction in which the solicitation, offer, sale or purchase thereof would be unlawful. 5814-ENV (03/24)