



Q&A with Nicole Noland

In this Q&A, Nicole Noland, VP, Environmental, breaks down the market forces influencing product development, the coverage gaps Environmental Excess Casualty is designed to address, and the claim scenarios most likely to reach excess layers.

Q: What industry trends or client challenges influenced the development of our new Environmental Excess Casualty product?

A: Industry dynamics and evolving client needs played a significant role in shaping our new Environmental Excess Casualty product. Similar to trends in the broader excess casualty space, established carriers in the environmental sector have been steadily pulling back capacity, particularly on excess layers. This contraction has created meaningful gaps in available limits and opened the door for newer markets to step in. In response, Westfield Specialty Environmental is taking a disciplined, stability first approach, aligning our capacity strategy with the broader market's best practices. This approach creates room to thoughtfully pursue more innovative and previously nontraditional environmental opportunities.

Core environmental lines such as site pollution liability, contractors' pollution liability, and environmental professional liability remain severity driven, characterized by infrequent but potentially high severity, complex claims. At the same time, carriers are placing increased emphasis on auto liability exposures amid the rise in nuclear verdicts. Even when auto is a secondary component of an insured's operations, it can introduce disproportionate risk as social inflation and shifting jury sentiment continue to drive verdicts above \$10 million. These trends are pushing carriers toward heightened underwriting scrutiny, particularly on excess placements, reinforcing the need for disciplined risk selection and proactive portfolio management.

Q: How does Environmental Excess Casualty provide more targeted protection than what is typically available through traditional excess casualty coverage? A:
Environmental Excess Casualty provides more targeted protection by building on the specific coverage structure found in primary environmental policies, particularly around triggers, exclusions, and how broadly pollutants are defined. Traditional excess casualty policies often sit above a Commercial General Liability (CGL) form that contains broad ISO standard pollution exclusions. These exclusions can significantly limit a client's ability to access excess coverage when an environmental event occurs.

A recent example underscores this gap. In Griffith Foods International, Inc. v. National Union Fire Insurance Co. (2026), the Illinois Supreme Court ruled that the standard CGL

pollution exclusion applies even when emissions were legally permitted by environmental regulators. The policy excluded releases of “smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants,” and the court upheld that exclusion as written. This decision reinforces how consistently courts support the broad intent of CGL pollution exclusions, making it increasingly difficult for insureds to secure coverage for environmental contamination under traditional forms, even when operating within regulatory limits.

Because these exclusions continue to hold up, dedicated pollution coverage becomes essential. Environmental Excess Casualty is specifically designed to follow the pollution definitions, triggers, and coverage intent of primary environmental policies rather than relying on the narrow CGL framework. When structured properly up the tower, it ensures that true pollution protection extends into the excess layers, providing continuity of coverage for environmental events that would otherwise fall into gaps left by traditional excess casualty policies.

Q: What types of environmental risks or claim scenarios are most likely to trigger excess coverage, and what should brokers be aware of when placing this product?

A: *The environmental excess casualty market is increasingly experiencing the same severity driven pressures long seen in broader excess casualty. Nuclear verdicts, social inflation, and escalating regulatory scrutiny are now driving environmental losses well into excess layers. Recent cases highlight this trend: Stericycle’s \$9.5 million settlement over hazardous waste handling, the \$48 million Florida mold verdict that included \$10 million in future medical expenses, and the landmark \$52.4 million judgment awarded in 2024 to an artificial stone fabricator who developed fatal silicosis. Because silica can meet the definition of a pollutant, these types of product driven exposures are expected to increase. Similar patterns are emerging in Legionella related claims, which have risen significantly since 2000, and in waste management liabilities such as GFL Environmental’s \$15 million plus settlement tied to landfill gas mismanagement. These examples illustrate the severity potential that can quickly push environmental losses beyond primary limits.*

Many of these claims stem from high hazard operations where releases, exposures, or alleged failures in oversight lead to large bodily injury, property damage, cleanup obligations, and sometimes criminal penalties. In cases involving public water contamination or criminal negligence, fines alone may reach \$50,000 per day, significantly compounding total loss costs. As jury attitudes evolve and plaintiffs’ attorneys increasingly frame environmental harm alongside public health narratives, the industry is seeing a clear rise in large scale, complex litigation that was once less common in environmental lines.

These trends underscore why excess protection has become more critical for insureds with facilities-based exposures or contractors operating in higher risk environments.

Brokers should pay close attention to how the primary pollution policy is structured, whether it provides site pollution coverage, contractors pollution, or both, as this determines triggers, exclusions, and how broadly pollutants like silica, mold, or Legionella are defined. It's equally important to understand whether the insured's operations are facilities-based, or services based, since each presents different severity pathways and chances of a claim reaching excess. As environmental losses grow more complex and verdicts escalate, careful evaluation of both the primary coverage and the nature of the insured's operations is essential to securing adequate excess protection in today's market.