

Wrong place, wrong time!

Be ready when life happens. These industry-trend situations illustrate the variety of environmental exposures that could affect your customers!

The rapid expansion of data centers—driven by AI, cloud computing and global digitalization—has created new environmental exposures and risks. These facilities rely heavily on cooling systems and uninterrupted power, making them vulnerable to accidents, financial loss and business interruption. Consider this...



A hyperscale data center installs a lithium-ion battery energy storage system (BESS) to support peak load. The system includes thousands of interconnected cells housed in modular cabinets. During routine charging, a manufacturing defect in one cell initiates a thermal runaway. Smoke and corrosive off-gassing infiltrate nearby server halls. Although the fire is contained within the BESS room, the contamination forces a full shutdown of two data halls and triggers an emergency evacuation. As a result, there was structural damage to the BESS enclosure and adjacent rooms, multi-week business interruption, and loss of customer processing capacity.

Litigation funding, evolving jury attitudes and expanding theories of liability continue to drive up verdicts and settlements. Consider this...



A concrete manufacturing plant has operated for decades on the outskirts of a growing suburban community. As residential development expands closer to the facility, neighbors begin reporting dust accumulation on vehicles, outdoor furniture and HVAC filters. Several residents raise concerns about respiratory irritation and long-term exposure to airborne particulate matter. Local environmental groups commission independent air-quality testing, which detect intermittent spikes of respirable crystalline silica near the property line and during peak production hours. Although levels fluctuate, the findings prompt a coalition of residents to file a class action lawsuit alleging that fugitive dust emissions have migrated into surrounding neighborhoods. The complaint asserts bodily injury, property contamination and diminished property values. Operators were responsible for defense costs, potential settlements, regulatory enforcement actions and upgrades to dust-control systems, and monitoring obligations.

Industry Trends 2026 Claims Scenarios



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Sediment is increasingly treated as a regulated pollutant, especially in construction, dredging and stormwater management. Failures in erosion control or sediment containment can lead to significant environmental risks. Consider this...



A large commercial development project is underway near a protected watershed. The contractor installs standard erosion-control measures, including silt fencing, sediment basins and stabilized construction entrances. Midway through grading operations, an intense storm system stalls over the region, producing rainfall far exceeding design assumptions. The temporary basin overtops, and several sections of silt fencing fail. Runoff flows into a nearby creek, turning the water visibly murky and depositing material along the streambed. Regulators respond quickly, issuing a stop-work order pending investigation. Water sampling confirms elevated turbidity and suspended solids well above thresholds. The contractor was responsible for the emergency response and clean-up costs, fines for permit violations, natural resource damage assessments, project delays, and third-party claims from downstream property owners and recreational users.

Climate variability, aging infrastructure and increased humidity events are contributing to a rise in mold-related claims across commercial and residential properties. Consider this...



A distribution warehouse located in a coastal region experiences severe flooding after a stalled tropical storm drops more than 12 inches of rain in 24 hours. Although the building's slab is elevated, floodwaters enter through the loading dock and seep into wall cavities, saturating insulation and drywall. The facility manager focuses on restoring power and securing inventory, delaying dehumidification. By the time the mitigation contractors arrive, humidity levels inside the warehouse exceed 80% and visible mold growth has begun on drywall seams, wooden pallets and cardboard packaging. Employees report musty odors and throat irritation. Extensive mold remediation had to be done, including the removal of drywall, insulation and affected inventory. Additionally, the warehouse suffered business interruption costs, HVAC replacement due to spore infiltration, and potential bodily injury claims due to employees and contractors staying on-site.



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The above claim scenarios are provided to illustrate the variety of potential environmental 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 claim scenarios.

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