

## Illinois Appellate Court Rules That Bodily Injury Asbestos Claims Arise From Single Occurrence

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An Illinois appellate court ruled that thousands of asbestos-related bodily injury claims asserted against a conveyor-belt manufacturer arose from a single occurrence and were thus subject to the policies' per-occurrence limits. *United Conveyor Corp. v. Allstate Ins. Co.*, 2017 IL App (1<sup>st</sup>) 162314 (Ill. App. Ct. Dec. 5, 2017).

United, a manufacturer of conveyor belt systems for coal plants, was named in thousands of suits alleging injuries from asbestos exposure. After defending United for more than two decades, Travelers notified United that the applicable per occurrence policy limits had been exhausted. United filed suit, seeking a declaration that the asbestos claims constituted multiple occurrences and were within the policies' aggregate limits. Ruling on cross-motions for summary judgment, an Illinois trial court held that the claims arose from a single occurrence – United's continuous manufacture and sale of the asbestos-containing conveyor systems. The appellate court affirmed.

Applying a cause-based analysis, the appellate court concluded that the "single, unitary cause of claims against United is the fact that it incorporated asbestos-containing components or products into each of its systems." In so ruling, the court deemed irrelevant the fact that each system was designed individually to the customer's specifications (rather than mass produced). In addition, the court distinguished *Nicor, Inc. v. Associated Electric & Gas Insurance Services, Ltd.*, 860 N.E.2d 280 (2006), in which the Illinois Supreme Court held that mercury-related injuries caused by the installation of residential natural gas regulators arose out of multiple occurrences. The court explained:

Contrary to United's position, the cause of its loss was not attributable to the installation and maintenance by United's customers of each conveyor system that contained asbestos products. Likewise, unlike *Nicor*, no separate human intervening event attributable to the conveyor system's installation and maintenance is involved. Specifically, the installation and maintenance by United's customers did not give rise to United's liability; its manufacturing activities did.

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