

Cold Creek Compost, Inc., et.al vs. State Farm Fire & Casualty

Year: 2005

Court: California Court of Appeal

Case Number: A114623

This case involves the proper scope and application of the “reasonable expectations doctrine.” Composting facilities create offensive odors in the ordinary course of business by composting mainly “green materials.” A reasonable policyholder under these circumstances would not consider the odors produced by its operations to be an environmental pollution. Therefore, the pollution exclusion in State Farm’s policies does not exclude the Cold Creek policyholders’ liability in the Underlying Action.

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