

EPA: Underwear insurer agrees to pay

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The American International Specialty Lines Insurance Company Inc. has agreed to pay \$42.5 million to clean up contamination at four U.S. factory sites.

The deal was reached after the Justice Department intervened on behalf of the U.S. Environmental Protection Agency and other agencies, the EPA said Thursday in a release.

The four sites, located in Michigan, New Jersey and Tennessee, were owned by Fruit of the Loom before the company declared bankruptcy in 1999.

"Insurers should take note that they may be liable for the cost of cleaning up their bankrupt clients' environmental messes," Granta Nakayama, assistant administrator for EPA's Office of Enforcement and Compliance Assurance, said in a statement.

The settlement resolves a lawsuit that began in 2005 over environmental insurance coverage between AISLIC and Fruit of the Loom's two bankruptcy trusts.

The EPA said the sites in St. Louis, Mich., Bergen County, N.J., and Toone, Tenn., will each receive more than \$12.5 million for environmental cleanup and restoration activities. The Breckenridge, Mich., site will receive \$2.1 million for cleanup.

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