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**For immediate release**

**BAYER'S BAYTOWN PLANT TO RECOVER  
\$2.225 MILLION FOR PROPERTY DAMAGE, LOST INCOME**

Allianz Insurance Company and National Union Fire Insurance Company of Pittsburgh have been ordered to pay \$2,225,000 to Miles Inc., a subsidiary of Bayer Corporation, for business interruption damages sustained arising from a power outage at the Miles Baytown, Texas plant, based on an award recently rendered by an arbitration panel. Allianz and National Union were represented by counsel from the New York office of Clausen Miller, an international law firm with offices in Chicago, New York, London, and Paris which specializes in insurance law.

The outage interrupted power to the Makrolon unit of the Miles plant in October of 1994. Makrolon is a multi-chain polymer plastic used to make a multitude of items, such as safety glasses and hardhats, according to plaintiff's attorneys, Sandra Liser and John Hart, both partners of Fort Worth's Brown, Dean, Wiseman, Liser, Proctor, and Hart, LLP. During the outage, Makrolon plastic in the pipes and extruding equipment hardened, resulting in significant property damage and business interruption loss in excess of \$3 million.

The opening statement was presented by Ms. Liser. Ms. Liser presented expert testimony from Dr. Duncan Glover of Failure Electrical in Norfolk, Massachusetts. Ms. Liser also cross-examined the expert witness presented by opposing insurance companies, Mr. Bill Byrd of Privacom Ventures, Inc. in Chapin, South Carolina. Mr. Hart presented the closing argument to the panel, summarized evidence, the insurance policies and the applicable law.

During the arbitration, all parties agreed that during a record breaking rainstorm, water had entered sensitive electrical equipment and caused a ground fault, which in turn, caused the power outage. Allianz and National Union denied that their All Risk policies provided coverage

The arbitration panel was made up of three senior insurance professionals selected by the insurance company parties to the arbitration. They deliberated for six hours before ruling.

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