

**FILED**  
Superior Court of California  
County of Los Angeles

**03/11/2026**

David W. Slayton, Executive Officer / Clerk of Court

By: N. Navarro Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

ARIZONA TILE, LLC,

Plaintiff,

vs.

TRAVELERS PROPERTY CASUALTY  
COMPANY OF AMERICA, *et al.*,

Defendants.

) Case No.: 25STCV02521

) Related Case No.: 24STCV18642

) ORDER RE TRAVELERS' DEMURRER

) Date: March 10, 2026

) Time: 9:00 a.m.

) Dept.: SSC 17

1 Defendants Travelers Property Casualty Company of America, The Travelers Indemnity  
2 Company, The Charter Oak Fire Insurance Company, and The Travelers Indemnity Company of  
3 Connecticut filed a demurrer to Plaintiff Arizona Tile, LLC's First Amended Complaint arguing  
4 that the silica exclusions and pollution exclusions bar coverage of Plaintiff's claims.

5 The request for judicial notice is denied because the court did not rely on those materials.

6 The "goal in construing insurance contracts, as with contracts generally, is to give effect to  
7 the parties' mutual intentions. [Citations.] 'If contractual language is clear and explicit, it  
8 governs.' [Citations.] If the terms are ambiguous, we interpret them to protect 'the objectively  
9 reasonable expectations of the insured.'" [Citations.] Only if these rules do not resolve a claimed  
10 ambiguity do we resort to the rule that ambiguities are to be resolved against the insurer." (*Boghos*  
11 *v. Certain Underwriters* (2005) 36 Cal.4th 495, 501.)

12 "[T]he mutual intention of the parties at the time the contract is formed governs  
13 interpretation . . . Such intent is to be inferred, if possible, solely from the written provisions of  
14 the contract." (*AIU Ins. Co. v. Superior Court* (1990) 51 Cal.3d 807, 821-822.) "If contractual  
15 language is clear and explicit, it governs." (*Powerine Oil Co., Inc. v. Superior Court* (2005) 37  
16 Cal.4th 377, 390, quotation marks omitted.) "A policy provision will be considered ambiguous  
17 when it is capable of two or more constructions, both of which are reasonable. . . . [L]anguage in  
18 a contract must be construed in the context of that instrument as a whole, and in the circumstances  
19 of that case, and cannot be found to be ambiguous in the abstract." (*Id.* at pp. 390-391.) "In  
20 determining whether an ambiguity exists, a court should consider not only the face of the contract  
21 but also any extrinsic evidence that supports a reasonable interpretation.' [Citation.]" (*Lee v.*  
22 *Fidelity National Title Ins. Co.* (2010) 118 Cal.App.4th 583, 598.) "Extrinsic evidence can be  
23 offered not only 'where it is obvious that a contract term is ambiguous, but also to expose a latent  
24 ambiguity.' [Citation.]" (*Employers Reinsurance Co. v. Superior Court* (2008) 161 Cal.App.4th  
25 906, 920.)

26 "[I]nsurance coverage is interpreted broadly so as to afford the greatest possible protection  
27 to the insured, [whereas] . . . exclusionary clauses are interpreted narrowly against the insurer.  
28 [Citation]. [A]n insurer cannot escape its basic duty to insure by means of an exclusionary clause

1 that is unclear.” (*MacKinnon v. Truck Ins. Exchange* ((2003) 31 Cal.4th 635, 648, quotation  
2 marks omitted.) “For an exclusionary clause to effectively exclude coverage, it “must be  
3 conspicuous, plain and clear.” ’ [Citation.]” (*Id.* at p. 639.)

4 **A. Silica Exclusion**

5 Defendants identified the following silica exclusion: “ ‘bodily injury’ . . . arising out of or  
6 in any way related to the actual, alleged or threatened discharge, dispersal, emission, release,  
7 escape, handling, contact with, exposure to or inhalation or respiration of silica or products or  
8 substances containing silica.” (Demurrer at p. 11.) Defendants argue the silica exclusion bars  
9 coverage of bodily injury in any way related to a silica-containing product” because the exclusion  
10 uses the broad terms “arising out of,” “in any way related to,” and “products or substances  
11 containing silica.” (*Id.* at p. 15.) And the underlying cases allege all of Defendant’s products  
12 contain silica. (*Id.* at p. 16.) According to this logic, any bodily injury related in any way to  
13 Defendant’s products by necessity is related to or arising out of a silica-containing product.

14 Plaintiff argues the silica exclusion should be “read narrowly to bar coverage only for  
15 alleged bodily injuries resulting from exposure to silica or the silica constituents within  
16 [Plaintiff’s] products.” (Opposition at p. 9.) Plaintiff contends Defendants’ interpretation goes too  
17 far because it bars coverage “even if the silica within [Plaintiff’s] products played **no role**  
18 **whatsoever** in causing such injury.” (*Id.* at p. 10., emphasis in original.) According to Plaintiff,  
19 the use of “various nouns in the exclusion – i.e., ‘discharge,’ ‘dispersal,’ ‘emission,’ ‘release,’  
20 ‘escape,’ ‘handling,’ ‘contact,’ ‘exposure,’ and ‘inhalation,’ . . . would make little sense” if the  
21 exclusion bars coverage for all injuries caused by Plaintiff’s products because a stone slab cannot  
22 be inhaled, released, discharged, or dispersed. (*Id.* at p. 10.) Plaintiff argues “[t]he only way to  
23 interpret those nouns consistently, and give meaning to every one of them, is to construe them as  
24 referring to silica particles within [Plaintiff’s] products.” (*Id.* at p. 11 n.4.) Because the  
25 underlying lawsuits “allege numerous injuries that were not caused by the silica in [Plaintiff’s]  
26 products,” the silica exclusion does not apply. (*Id.* at p. 12.)

27 The plain terms of the silica exclusion, taken alone, are not limited to bodily injury caused  
28 by silica or silica particles. The phrase “ ‘arising out of’ links a factual situation with the event

1 creating liability and does not import any particular standard of causation or theory of liability into  
2 an insurance policy. [Citation.] Rather, ‘ “[a]rising out of” are words of much broader  
3 significance than “caused by.” They are ordinarily understood to mean “originating from[,]”  
4 “having its origin in,” “growing out of” or “flowing from” or in short, “incident to, or having  
5 connection with” . . . .’ [Citations.]” (*Davis v. Farmers Ins. Group* (2005) 134 Cal.App.4th 100,  
6 106-107.) The term “related to” also means having a connection with and is not necessarily  
7 causal. Also, the exclusion refers not just to silica, but also to “products or substances containing  
8 silica.” It excludes bodily injury related to “handling . . . products . . . containing silica.” If, as  
9 Plaintiff argues, the exclusion only referred to “silica particles within [Plaintiff’s] products,” the  
10 exclusion would not have include “products . . . containing silica.” Likewise, the exclusion would  
11 not have included “handling” because silica particles are not “handled.” Contrary to Plaintiff’s  
12 interpretation, the nouns in the exclusion do not all mean or refer to the same thing. The words in  
13 the silica exclusion can all be given effect by interpreting the exclusion to refer both to (a) the  
14 discharge, dispersal, emission, release, escape, contact with, exposure to, or inhalation or  
15 respiration of silica or substances containing silica, as well as (b) the handling, contact with, and  
16 exposure to products or substances containing silica. Plaintiff’s interpretation does not account for  
17 the inclusion of all of the words in the exclusion, while Defendants’ does.

18 But that is not the end of the story because the silica exclusion does not stand alone.  
19 Plaintiff points to the Products-Completed Operations Aggregate Limit providing coverage for  
20 bodily injury arising out of Plaintiff’s products. (Opposition at p. 11; Ex. 22 at pp. 98, 111, 115.)  
21 Plaintiff argues its business “revolves around selling and distributing tile and stone slabs,” and this  
22 coverage would be meaningless if the silica exclusion excludes coverage for bodily injury arising  
23 from those products. (Opposition at p. 11.) Defendants also refer to Plaintiff as selling and  
24 distributing stone products. (Demurrer at pp. 1, 12.) In their reply brief, Defendants do not  
25 address the coverage for bodily injury arising out of Plaintiff’s products.

26 The silica exclusion must be read in the context of the policy as a whole. If Plaintiff’s  
27 products all contain silica, the coverage for bodily injury arising out of Plaintiff’s products would  
28 seem to conflict with the silica exclusion interpreted broadly. This would create an ambiguity

1 about whether the silica exclusion excludes all bodily injuries arising from handling products  
2 containing silica, as Defendants contend. An insured would reasonably expect to obtain  
3 something for coverage it purchased. However, this issue cannot be decided on demurrer because  
4 it depends on facts outside the pleadings, such as the types of products Plaintiff sells and  
5 distributes and whether they all contain silica.

6 At the hearing, Defendant emphasized that California law does not recognize an illusory  
7 coverage doctrine, citing *John's Grill, Inc. v. The Hartford Financial Services Group, Inc.* (2024)  
8 16 Cal.5th 1003. In that case, the plaintiff contended that a coverage limitation in the policy  
9 "rendered any promise of coverage illusory" and was contrary to the plaintiff's reasonable  
10 expectations. (*Id.* at p. 1011.) The court cited the established law that if the terms of the policy  
11 are ambiguous, they are interpreted "to protect the objectively reasonable expectations of the  
12 insured." (*Id.* at p. 1014, quotation marks omitted.) The court concluded the policy language was  
13 not ambiguous, and the plaintiff could not reasonably expect coverage that contradicted the policy  
14 language. (*Id.* at pp. 1014-1015, 1020.) Also the court noted some scenarios in which the  
15 disputed policy language would provide coverage to the plaintiff, meaning the promised coverage  
16 was not illusory. (*Id.* at pp. 1021-1022.) The situation here is different, because the silica  
17 exclusion might be ambiguous, as explained above. But that cannot be determined without  
18 extrinsic evidence, also as explained above. If it is ambiguous, then Plaintiff's objectively  
19 reasonable expectations come into play. These issues cannot be determined on demurrer.

20 Defendant contended at the hearing that the court is straining to find an ambiguity.  
21 "Courts will not adopt a strained or absurd interpretation in order to create an ambiguity where  
22 none exists." [Citation.] (*La Jolla Beach & Tennis Club, Inc. v. Industrial Indemnity Co.* 9  
23 Cal.4th 27, 37.) At this point, the court has not found an ambiguity and has not adopted a strained  
24 or absurd interpretation.

25 Defendant also argued at the hearing that the silica exclusion was expressly designed for  
26 this fact pattern. That is an argument that relies on extrinsic evidence – the contract negotiations  
27 and drafting – that cannot be determined on the pleadings.

1           **B.       Pollution Exclusion**

2           Defendants identified the following pollution exclusion: “ ‘[b]odily injury’ . . . arising out  
3 of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of  
4 pollutants . . . [a]t or from any premises, site or location on which any insured or any contractors  
5 or subcontractors working directly or indirectly on any insured’s behalf are performing operations”  
6 “if the pollutants are brought on or to the premises, site or location in connection with such  
7 operations by such insured, contractor or subcontractor. (Demurrer at pp. 11-12.)

8           Defendants argue the pollution exclusion bars coverage because “the underlying claimants  
9 were exposed to pollution from the inhalation of silica, a well-known ‘irritant of contaminant.’”  
10 (Demurrer at p. 23.) Plaintiff argues the exclusion contains a location requirement, barring  
11 coverage only at a location where Plaintiff or its contractors or subcontractors were working.  
12 (Opposition at p. 17.) Plaintiff also argues the underlying complaints do not allege “traditional  
13 environmental pollution” described in the caselaw. (*Id.* at p. 18.) Defendants respond that  
14 caselaw holds silica dust is pollution, and the underlying plaintiffs were installing the stone on  
15 Plaintiff’s behalf because “fabrication work enables [Plaintiff] to sell unfinished products to  
16 ‘customers for use in residential and commercial projects.’” (Reply at pp. 14-15.)

17           In *MacKinnon*, the California Supreme Court considered the meaning of an exclusionary  
18 clause “that exclude[d] injuries caused by the ‘discharge, dispersal, release or escape of  
19 pollutants.’” (*MacKinnon, supra*, 31 Cal.4th at p. 639.) The court concluded, “Limiting the scope  
20 of the pollution exclusion to injuries arising from events commonly thought of as pollution, i.e.,  
21 environmental pollution” was “consistent with the choice of terms ‘discharge, dispersal, release or  
22 escape.’” (*Id.* at p. 653.) Likewise, “limiting the exclusion to what is ‘commonly thought of as  
23 pollution’ is firmly rooted in the policy’s language, based as it is on the recognition that the words  
24 ‘pollutant’ and ‘pollution’ have definite connotations.” (*Id.* at p. 655.) The court explained the  
25 history of anti-pollution laws bolstered its conclusion “that the pollution exclusion was adopted to  
26 address the enormous potential liability resulting from anti-pollution laws enacted between 1966  
27 and 1980” and there was no evidence “that the exclusion was directed at ordinary acts of  
28 negligence involving harmful substances.” (*Id.* at p. 653)

1 In *Garamendi v. Golden Eagle Insurance Co.* (2005) 127 Cal.App.4th 480, the court  
2 applied *MacKinnon* to allegations of a sandblasting operation where “silica-containing dust does  
3 not fall to the ground but, in fact, is suspended in the air and travels over a large distance,  
4 subjecting many workers in the area to an unreasonable risk of harm.” (*Id.* at p. 483.) The court  
5 concluded “the widespread dissemination of silica dust as an incidental by-product of industrial  
6 sandblasting operations most assuredly is what is ‘commonly thought of as pollution’ and  
7 ‘environmental pollution.’ [Citation.]” (*Id.* at p. 486.) In *The Villa Los Alamos Homeowners*  
8 *Association v. State Farm General Insurance Co.* (2011) 198 Cal.App.4th 522, the evidence  
9 showed asbestos fibers spreading “throughout building 300, including its corridors, stairwells, in  
10 residential units, inside the HVAC system, and onto the exterior grounds, notably the rock  
11 gardens, at the entrance of the building, on sidewalks, in bushes and grass in front of the building  
12 and in parking lots and a private street.” (*Id.* at p. 540.) The court concluded that “would comport  
13 with the common understanding of the word ‘pollute.’” (*Ibid.*)

14 Here there are neither allegations in the underlying complaints about nor evidence of the  
15 extent of the spread of the silica dust. For example, the underlying complaints do not allege  
16 whether only the underlying plaintiffs who worked as fabricators, cutters, and installers were  
17 exposed to the silica dust, or whether, like in *Garamendi* and *The Villa*, the dangerous material  
18 spread throughout a more expansive area exposing everyone in the vicinity. The application of the  
19 pollution exclusion cannot be decided on the pleadings.

20 Similarly, how the location requirement in some of the pollution exclusions applies cannot  
21 be decided now. If there is evidence that the underlying plaintiffs were contractors or  
22 subcontractors working directly or indirectly on Plaintiff’s behalf, the location requirement may  
23 not be a barrier to the application of the pollution exclusions. However, Defendants cite no legal  
24 authority for the assertion that because Plaintiff’s business relies on people buying and installing  
25 Plaintiff’s products, those people are acting indirectly as Plaintiff’s contractors or subcontractors.  
26 That would make every homeowner who buys a product sold by Plaintiff a contractor or  
27 subcontractor of Plaintiff, which is far from the common understanding of the “contractor” and  
28 “subcontractor.”

1 The demurrer is OVERRULED.

2  
3 Dated: 3/11/2026



*Laura Seigle*  
JUDGE OF THE SUPERIOR COURT

Laura A. Seigle / Judge