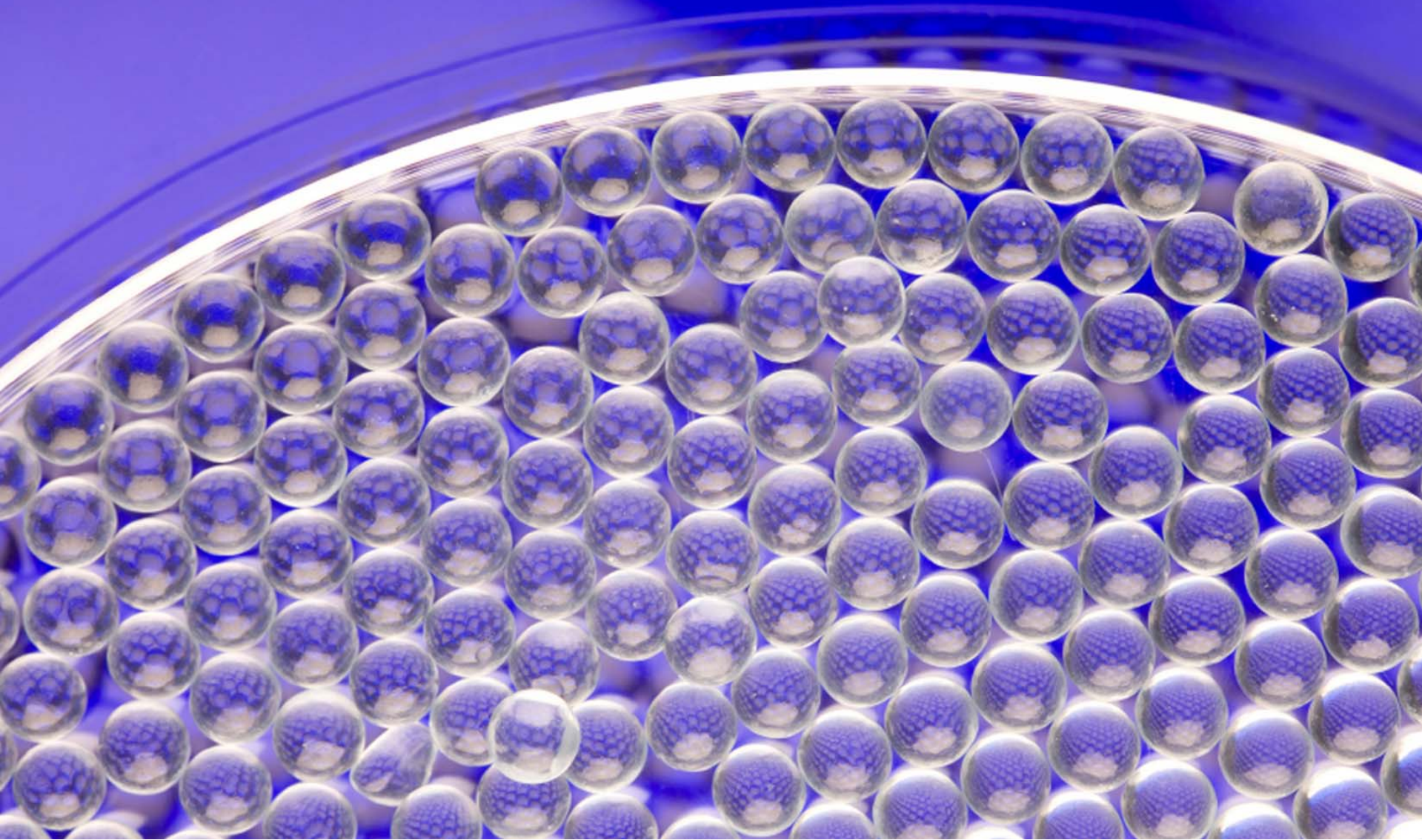


NANOTECHNOLOGY





It's a Small World After All

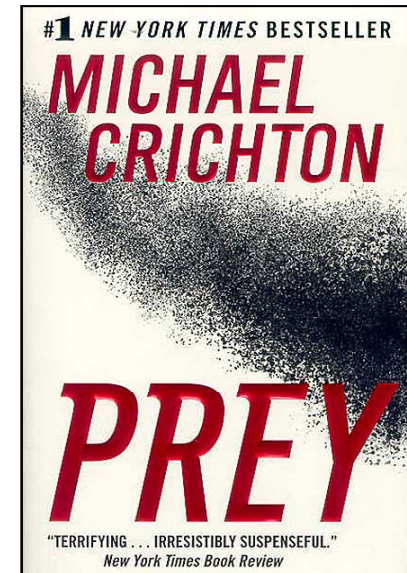
Split human hair 80,000 times to reach a width of 1 nm

Red blood corpuscle is 7,000 nm

Viruses = 20 nm to 300 nm

10 hydrogen molecules fit into one nanometer

Over one million particles 1 nm in size would fit into the dot of this "i"





The Next Industrial Revolution

Reduction of existing materials

- Properties of materials change when brought to nanoscale
 - Color
 - Conductivity
 - Reactivity
 - Electrical
 - Magnetic
 - Toxicity

Creation of new materials





Product Development vs. Toxicity / Environmental Safety

Governmental Spending

2011

- \$2.18 billion for product development by U.S. government
- Corporations and V.C. invested billions more
- Less than 5% for health and safety
- 2011 – China – \$2.25 billion in nano funding – first time China outspends U.S.
- Globally: >\$17.8 billion (2010) product development vs. \$??? on health and safety

2000 – 2012

- U.S. government: over \$16 billion
- Globally: \$67.5 billion

2013

- U.S. government: increasing nano spending by 4.1% to \$1.8B



The Next Industrial Revolution

Since 2001



Nanotechnology industry has grown 16%–33% annually

By 2015



15% of all goods manufactured will involve nanotechnology



Market for nanomaterials could be over \$1 trillion annually



Products containing nanomaterials could reach \$2.5 trillion



Over 2 million people directly employed by nano industries within 15 years



Secondary industries will employ many millions more



Developing
Nano
Products

*Largest
Exporters*

U.S. Companies Importing Nanomaterials

Over 5,400 firms

Over 50 countries with nano programs

Western Europe



Japan

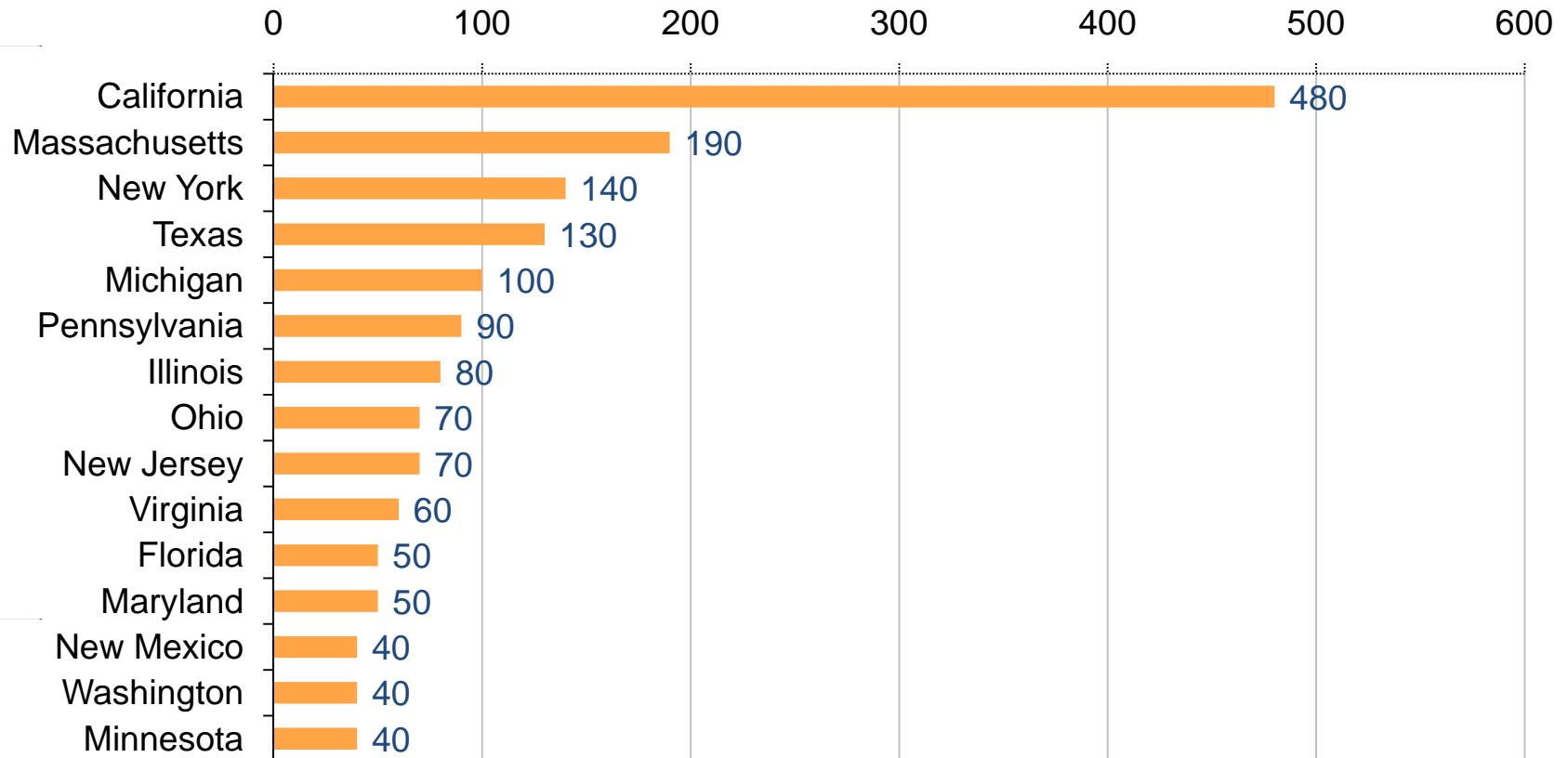


China





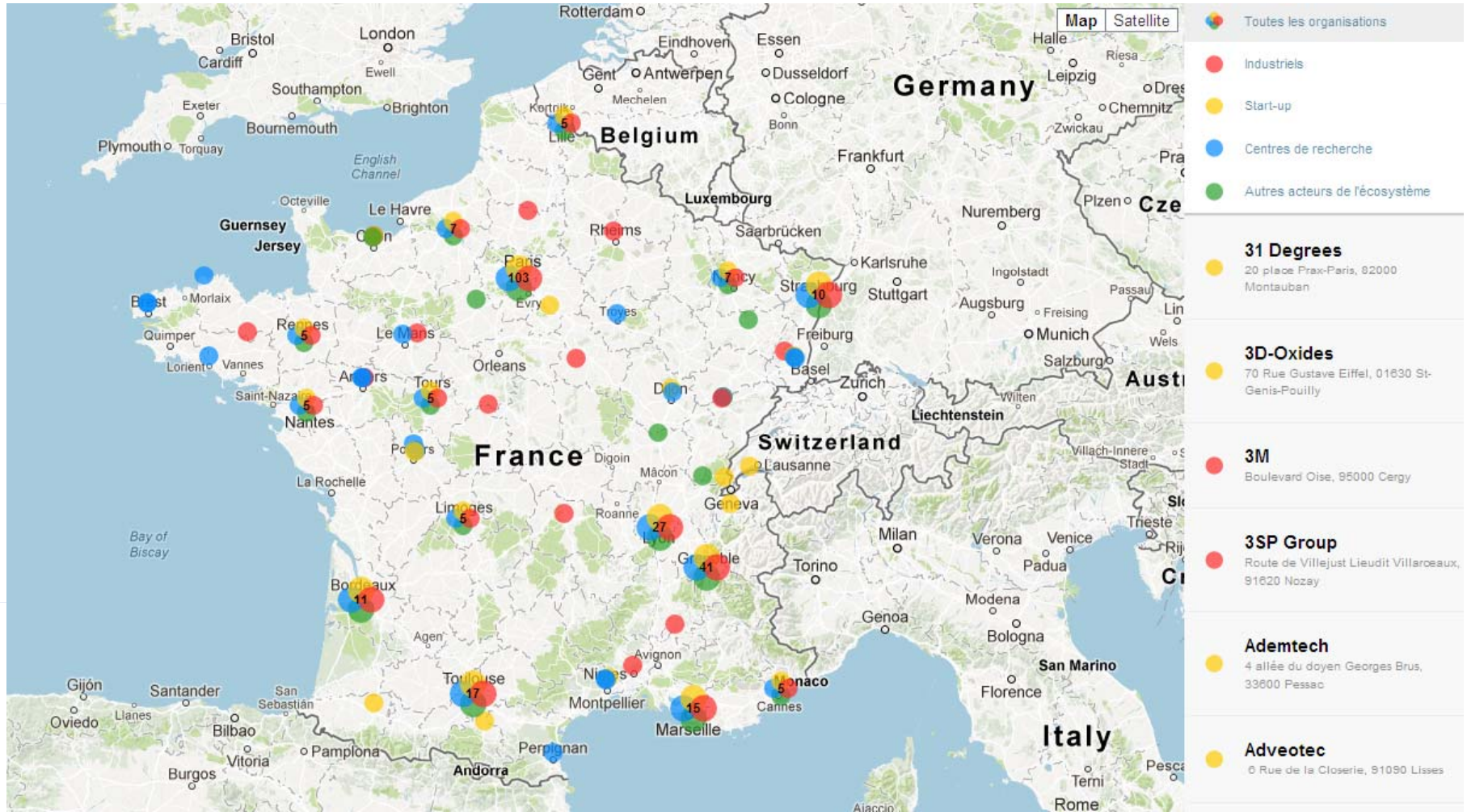
Number of Nano Companies



Source: nsti.org/directory/states/AL



Nanotechnology Companies and Research Centers in France



Source: NanoThinking – <http://www.nanowerk.com/news2/newsid=28808.php>



Regulations

What We Don't Know

Can nanomaterials fit into existing regulatory schemes?

- EPA
- FDA
- NIOSH

Currently, no requirements for:

- Labeling
- Special toxicity assessments



2011 Survey of “Experts From Academia, Industry and Government in the Field of Nanotechnology”

“The < 100 nm definition is unhelpful regarding the size at which specific properties of MNS [manufactured nanomaterials] arise. “For the interaction with cells, particles > 100 nm (i.e., 200–300 nm) behave like nanoparticles.”

Current testing programmes use a single batch of each different MNM, but this is scientifically misguided in terms of assessing overall safety of nanomaterials, as the data might be representative only of that specific batch.”

“Properties of these particles can change in contact with other materials, so in theory it would be necessary to study every MNM in contact with every material that in real life it could be in contact with.”

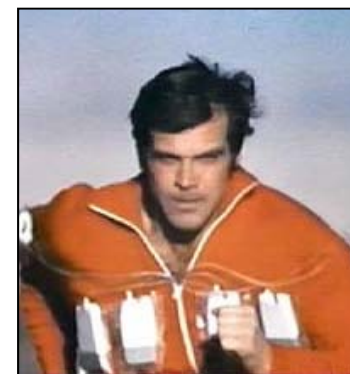
“Comparison of data from different laboratories, materials, techniques, etc. is difficult or impossible at present due to the number of variables and lack of detailed characterization in many cases.”

Source: Geoffrey Hunt and Michael Riediker, Nanotechnology Perceptions Vol. 7 (2011)



The Possibilities

- > Drug delivery
- > Improved diagnostics
- > Tumor killers / cancer cell hunters
- > Much smaller, more powerful batteries
- > Materials >100x stronger plus 8x lighter than steel
- > Superconducting materials
- > Smaller, faster computers with more storage
- > Minute solar cells
- > Super-efficient, hydrogen-based fuel cells
- > Augmentation of living organisms





Exposures Already Here





Exposures Already Here



The Next Industrial Revolution

- Over 2,900 types of nanomaterials
- Thousands of tons produced annually
- Manufactured by 1,000 U.S. firms and Universities
- Many are small firms with 25 employees or less
- Incorporated into thousands of consumer products on the market
- NIOSH spokesperson: 180,000 nanotechnology workers in 2009
- Millions of other workers in secondary industries exposed on a regular basis

Source: International Council on Nanotechnology, October 2006



Exposures Already Here



2006 Survey of Nano Manufacturers

- 66% of firms and universities not conducting toxicity tests
- 61% not monitoring air to determine occupational exposure
- Many use “conventional,” protective equipment



Exposures Already Here

NIOSH — July 2010 Study of Occupational Exposures in Labs Handling Nanomaterials

- Studied airborne releases of nanomaterials in labs during routine handling and processing
- Airborne nano particle concentrations increased when materials were weighed, transferred to beakers and sonicated
- Findings contradict belief that exposures are minimized when working with nanomaterials in liquid suspensions



Exposures Already Here

New Survey by University of California —
Santa Barbara to be released end of 2012

- 74 nanotechnology firms
- 45 in U.S.
- 65% had less than 50 employees
- Used/manufactured 15 different NMs

Only 46% had nano-specific EHS programs

13% had no EHS program

62% did not monitor occupational exposures

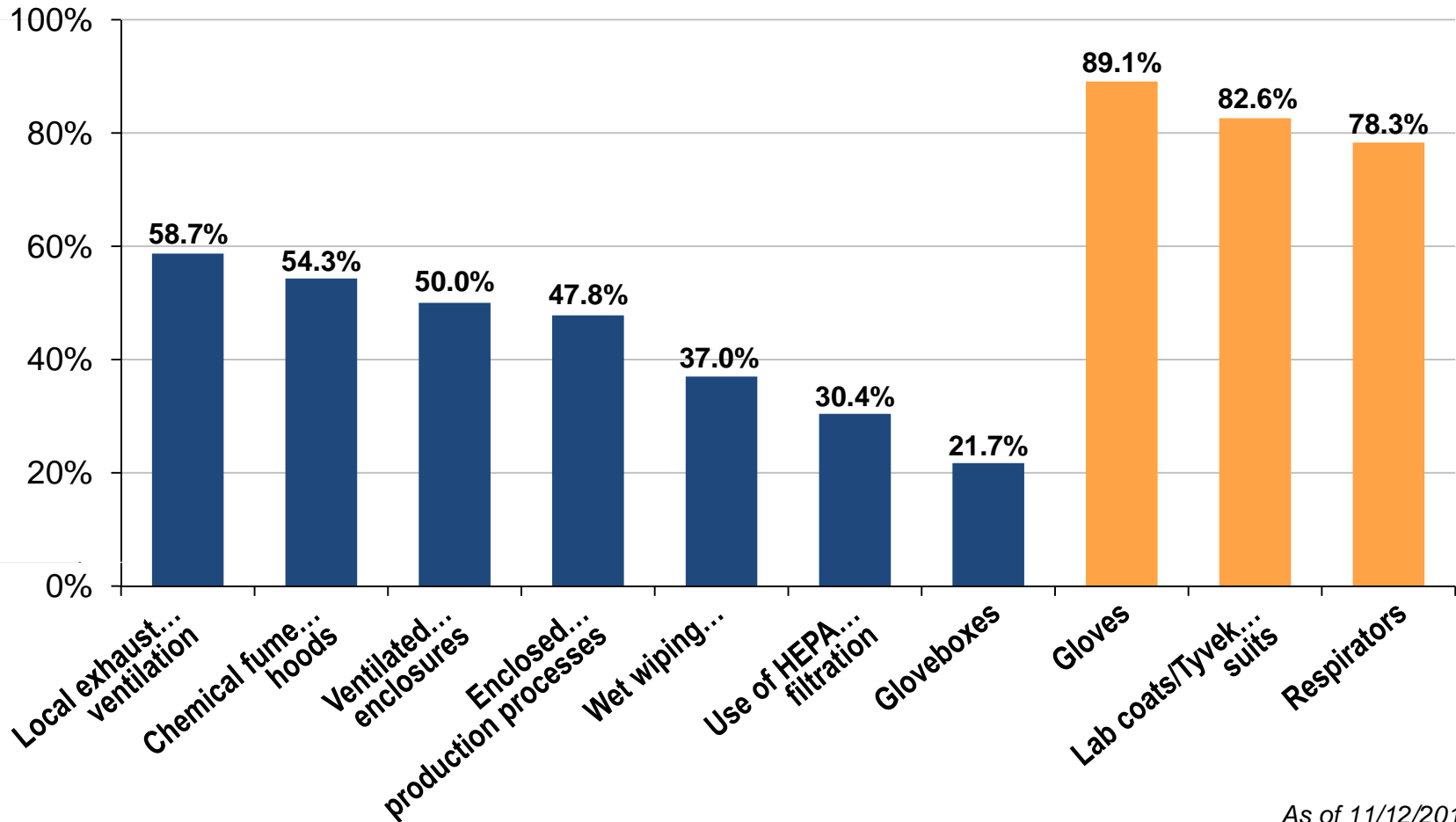
Less than 50% required workers to wear PPE

30% use vacuuming and sweeping to clean NMs
(against recommendation by NIOSH)

63% had no specific NM waste program



NIOSH: Use of Engineering Control and Personal Protective Equipment in 46 Nanomaterial Facilities



As of 11/12/2012



Exposures Already Here

Market value of nano-enabled products

- \$336 billion globally in 2011

Hundreds of Consumer products

- \$134 billion in U.S. in 2011

Products including:

- Skin Creams and Cosmetics
- Sun Block and Suntan Lotions
- Personal Care Products
- Joint and Muscle Pain Relief Creams
- Paint and Coatings
- Plastic Wrap / Food Containers
- Lubricants
- Automobiles and Aircraft Parts
- Fabrics
- Computer Chips
- Electronics
- Bedding





Exposures Already Here

Other Products Containing Nanomaterials

- Medicine Capsules
- Sports Equipment
- Wound Dressings
- Deodorants
- Toothpastes
- Shampoos
- Air Sanitizers / Purifiers
- Joint and Muscle Pain Relief Creams
- Wet Wipes
- Cleansers
- Imported Animal Feed
- Imported Veterinary Medicine

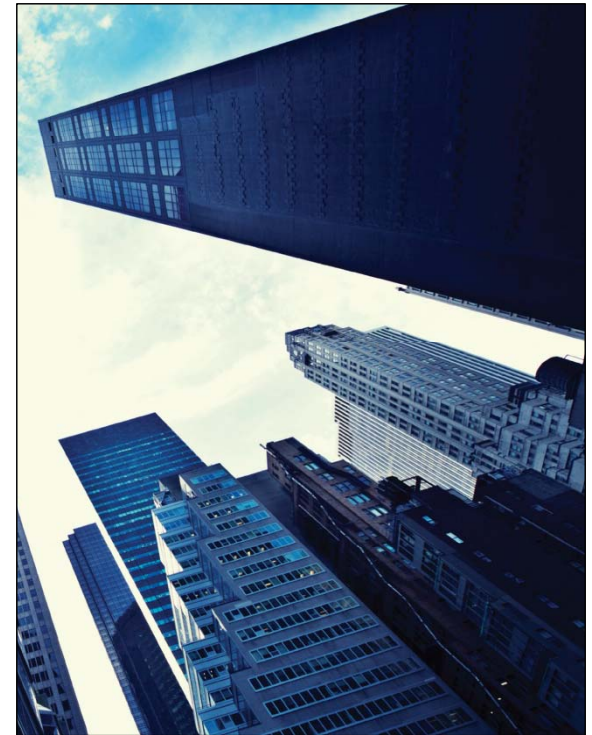




Exposures Already Here

Building Materials

- Concrete
- Insulation
- Glass coatings
- Flame retardants
- Countertop coatings





Exposures Already Here

Food

- Cooking Oils
- Confectionary Products
- Vitamin and Mineral Dietary Supplements
- Diet Shakes and Other Diet Beverages
- Chewing Gum
- Canola Oil
- Tea
- Ice Cream
- Cheeses
- Salad Dressing
- Sauces
- Cake, Muffin and Pancake Mixes
- Icing / Frosting
- Food Additives
- Powdered Donuts
- Pudding
- Candy
- Koolaid
- Marshmallows
- Coffee Creamers
- Poptarts





Exposures Already Here

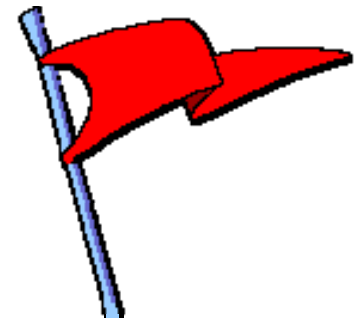
▶ Spraying fruit and vegetables from Central and South America with a thin wax-like edible nanomaterial to extend shelf-life and protect the color and flavor longer

▶ Using nanomaterials as non-stick coatings to make it easier to get the last drops of ketchup out of the bottle



First Studies

- > Progressive dysfunction and cell death of human brain cells
- > Gathered and remained in the liver and spleen
- > Nano titanium dioxide damaged neurons
- > Four different nanomaterials caused proteins to misfold
- > Damage DNA and may increase risk of cancer
- > Some pass through the skin / distributed throughout the body
- > Decreased function in cells exposed to nanosilver
- > Promote blood-clotting
- > Penetrate deep into lungs — causing death
- > Inhaled can pass into brain through blood / brain barrier
- > Caused death by suffocation
- > Increase in brain damage
- > Increase in genetic and cellular damage
- > Kill human liver and skin cells
- > By-products harmed aquatic life

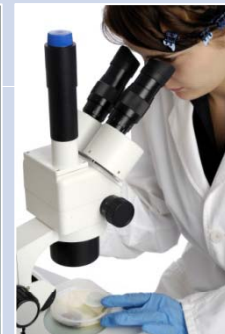




In Vitro Study (Petri Dish) Suggests

2/08 First EPA Study of a Nanomaterial

- Nano-sized titanium dioxide widely used in sun blocks suggests damage to brain cells
- Found cellular apoptosis after 6 hours of exposure





Post-2008 Studies of Carbon Nanotubes

2008	2009	2010	2011	2012	2013
<p><i>February</i> Japan's National Institute of Health Sciences – Can mimic asbestos</p> <p><i>May</i> University of Edinburgh (UK) and U.S. Project on Emerging Nanotechnologies – Exposure caused development of lesions and precancerous masses similar to those that precede mesothelioma</p> <p><i>December</i> University of Dayton (U.S.) – Accumulate in cells resulting in cell death – Increased cell mutations by two times</p>	<p><i>January</i> Institute of Occupational Medicine, Edinburgh – Carbon nanotubes and nanowires have same characteristics as asbestos; likely to have similar pathology</p> <p><i>March</i> University of Dayton – Suppresses immune response of human lung cells</p> <p><i>July</i> University of Dayton – Suppresses immune response in lungs</p>	<p><i>April</i> NIOSH – Inhalation causes inflammation of the brain</p>	<p><i>January</i> Sweden Lulea University of Technology – Increased risk of lung cancer</p> <p><i>July</i> U.S. FDA – Casused clots in the blood that obstruct flow</p> <p><i>June</i> University of Edinburg, UK – Same effects as asbestos</p> <p><i>August</i> Indiana University – Purdue University – Exposure to even low levels penetrated kidney cells</p>	<p><i>March</i> Ingested – Alters normal blood vessel function</p>	<p><i>March</i> Potent cancer promoter</p>



Additional Studies

- > Quantum dots toxic to cells under certain conditions
- > Nanorods and nanowires may also cause asbestos-like effects
- > Accumulate and damage kidney cells
- > Dissolve in cell membrane, pass into cells, reform and damage cells
- > Four Nanoparticles when inhaled cause cancer
- > Inhaled Nanoparticles can cause chronic or acute illness
- > Injected quantum dots damaged kidneys
- > Airborne nanoparticles can be more hazardous than their larger scale counterparts
- > Buckyballs have high potential of accumulating in tissue
- > Diesel nanoparticles get trapped in lungs — inhibit fluid that facilitates breathing



Additional Studies

- > Inhaled nanoparticles of titanium dioxide may pass through the blood-brain barrier and damage neurons
- > Gold nanoparticles increases nitric oxide production which can result in cell death
- > Nano zinc oxide — direct contact with colon cells caused death of cells
- > Quantum dots made from cadmium and selenium released toxins into soil
- > Nickel nanoparticles contribute to lung cancer
- > Zinc oxide nanoparticles damaged DNA; may cause cancer
- > Magnetic core nanomaterials caused DNA damage and accumulated in the liver
- > Inhaled cerium oxide nanoparticles used as a diesel fuel additive travel from lungs to liver and damage liver
- > Nanoplatelets stay airborne — penetrate deeply into lungs
- > Silver and titanium dioxide nanoparticles damaged testicular cells and DNA



Nano Titanium Dioxide

Additional Studies

- Nano titanium dioxide when ingested damaged or destroyed DNA and chromosomes
- Nano titanium dioxide caused damage to the heart muscle
- Nano titanium dioxide caused eczema
- 2009 – WHO – International Agency for Cancer Research declares nano-titanium dioxide a “possible carcinogen”
- 2011 – NIOSH: Data supports finding nanoscale titanium dioxide as an “occupational carcinogen”
- 2011 – Exposure caused holes to form in parts of the brain and killed nerve cells in the brain
- Ingested Nanospheres alters normal blood vessel function



Additional Studies

Children's lungs more susceptible to nano materials

Graphene nanodiscs can accumulate in lungs and cause damage

Plastic nanoparticles are transported through the aquatic food chain
—effects fish metabolism and behavior

Poorly soluble nano-sized nickel particles cause lung cancer in humans

Cerium oxide and zinc oxide nanoparticles—take up and distributed
throughout edible plant tissue. Plant growth and yield diminished.



Additional Reasons for Concern

▶ Coatings?

▶ Ability to stay airborne for longer periods

▶ Some are coated with solvents

▶ 12/08 study by EU researchers found coating tungsten nanoparticles with cobalt caused “markedly” increased cytotoxic effects

▶ Aging nanoparticles



Exposure to Synergistic Effects

November 2008 — Helsinki University of Technology, Finland

- Even if nanoparticle does not appear toxic, interactions with other common compounds in the human body may cause serious problems to cell functions.
- Number of possible combinations to nanoparticles and various biomolecules is enormous—practically impossible to research them systematically.



New Regulations

CA Department of Toxic Substances

Data Call for Nanomaterials of Concern

- CNTs
- Nano Titanium Dioxide
- Nano Silver
- Nano Zero Valent Iron
- Nano Zinc Oxide
- Nano Cerium Oxide
- Quantum Dots



Hypothetical Sizing Exercise

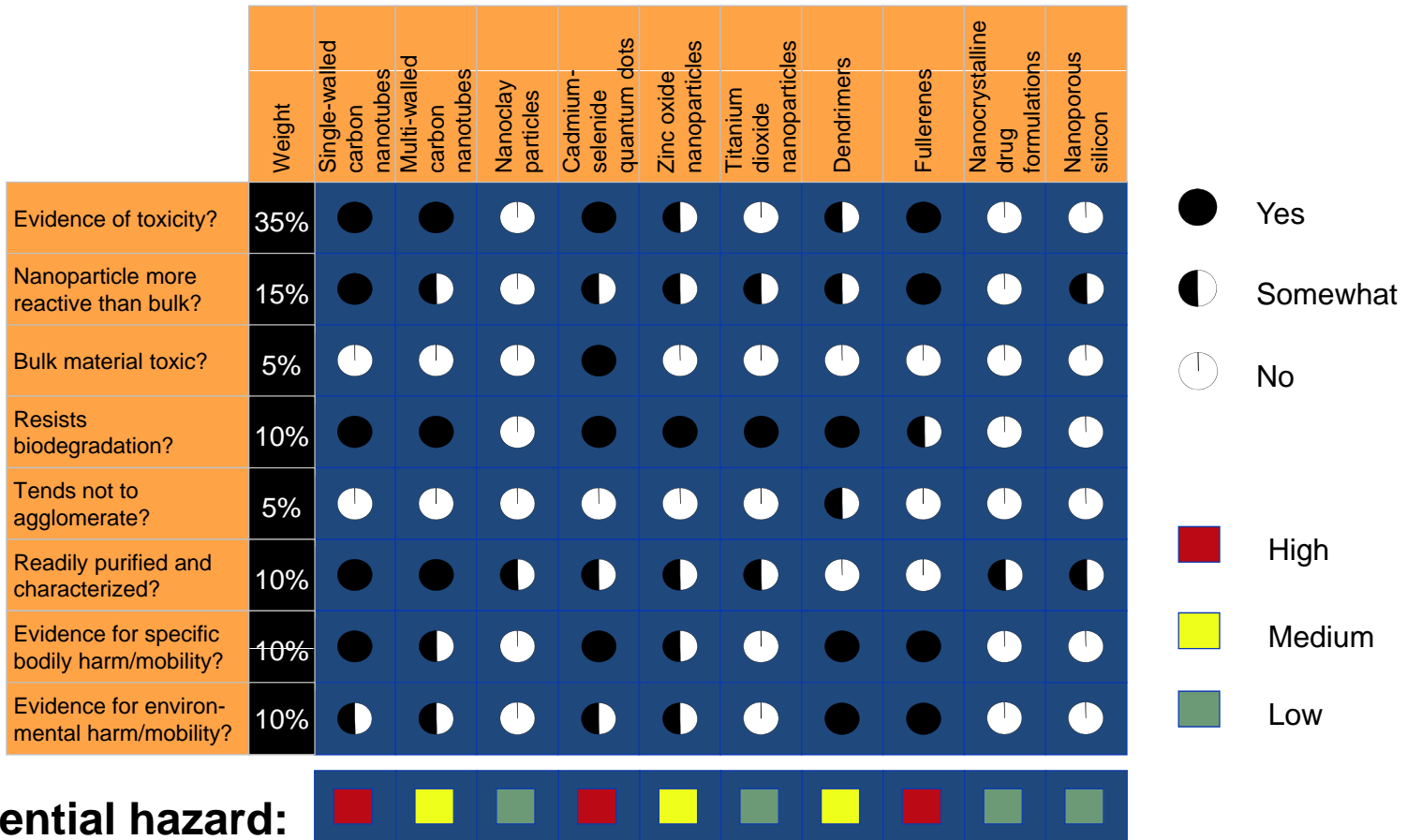
Currently over 2,900 Nanomaterials

- If 99% are benign = 29 new toxic substances
- If 97% are benign = 87 new toxic substances

Potential impact on P/C insurance industry?
Occupational and consumer exposure.



Risk Management Framework



Source: Lux Research Report "A Prudent Approach to Nanotechnology Environmental, Health, and Safety Risks"



Coverage Issues



CGL and Commercial Umbrella



No Specific Nano Exclusions or Terms



Applicability of:

- Absolute Pollution Exclusion
- Total Pollution Exclusion



Applicable Trigger



The Next Industrial Revolution

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THE LEADER IN PROPERTY & CASUALTY NEWS

WHAT NOW?
Will All States Row Together
To Keep Surplus Lines
Reform Bill Moving?
Page 24

Nanotechnology is coming.
You can't stop it.
But can you insure it?