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Connected Perspectives

Better Decisions on PFAS for Food, Agribusiness and Beverage Organizations



PFAS - Forever Chemicals, Forever Problems?

Risks Evolving Amid Rising Regulation and Litigation

As awareness surrounding per- and polyfluoroalkyl substances (PFAS) increases globally and regulation tightens, concerns are mounting around inconsistent insurance coverage and the potential for exclusions. Today, the evolving litigation and claims environment surrounding PFAS is complex — driving both financial and reputational risk for food, agribusiness and beverage (FAB) organizations.

PFAS Defined

Per- and polyfluorinated alkyl substances (PFAS) are man-made chemicals, also known as "forever chemicals," that are used in a variety of commercial processes and household products.

01

One of the largest groups of synthetic chemicals, with approximately 15,000 identified compounds.

02

PFAS are highly persistent and can contaminate water, accumulate in the environment and move through the food chain.

03

PFAS have been linked to various health problems, including fertility problems, high blood pressure, cancer, developmental delays and immune system disorders.

04

In the U.S., PFAS-related coverage litigation has contributed to increased insurer scrutiny and, in some cases, the introduction of PFAS-specific exclusions.

05

Global regulation of PFAS varies, leading some companies to phase out or ban these chemicals in their products.

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Products Containing PFAS

- Nonstick cookware
- Fast food packaging
- Microwave popcorn bags
- Stain-resistant clothing
- Stain-resistant furniture
- Stain-resistant products
- Fire-extinguishing foams
- Paints
- Cosmetics
- Body care products
- Photography
- Pesticides



PFAS

Widespread Exposure and Emerging Health Risks

What are PFAS

- Widely used synthetic chemicals across industrial processes, packaging and consumer products.
- Highly persistent and can accumulate in the environment and humans.

How exposure occurs

Enters the food chain via water, soil, agricultural inputs and food-contact materials.

Health impacts

Associated with cancer, weakened immune systems, liver damage, thyroid disease and reproductive risks.

99%+

of people studied have PFAS in their blood.

Source: NIH National Library of Medicine[1]

45,000+

Water samples analyzed globally show widespread PFAS contamination.

Source: The New Lede[2]



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Source:
1. Increasing PFAS concentrations in human serum correlate with elevated blood lipid levels, NIH National Library of Medicine
2. Unsafe levels of PFAS contaminate global water sources, study finds, The New Lede

Why PFAS Matters for FAB Organizations

PFAS intersect regulation, litigation, insurance coverage and long-tail liability, requiring organizations to better understand exposures and response strategies.

Exposure and operations

- Contamination can occur across raw materials, water, packaging and processing.
- May result in product loss, recall or disposal costs.

Regulation and liability

- Expanding global regulation increases compliance complexity.
- Litigation has increased, with some settlements exceeding **$10B.**[1]

Financial impact

- Exposure spans environmental claims, product liability and supply chain disruption.
- Broader economic burden estimated at **$1.4T–$2.2T**[2] annually.

Market reality

- Only ~20% of companies purchase environmental liability insurance.[3]
- Many PFAS risks remain uninsured.



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Source:
1. PFAS Settlements, SuperLawsuits
2. Invisible Ingredients, Systemiq
3. Aon's Global PFAS Risk Study (2025-2026)

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Considerations and Implications

PFAS-Related Coverage Actions

- PFAS-related insurance coverage disputes have emerged across multiple U.S. jurisdictions, with additional actions expected as litigation and settlement activity continues.
- Many commentators expect continued growth in PFAS-related coverage litigation and claims activity.
- Coverage may be sought under various policies, including general liability, property, environmental, professional liability and D&O.

Long-Tail FAB Claims

- PFAS have been used since the 1930s and 1940s, potentially implicating legacy and current policies.
- A class action was filed in New York federal court against a beverage company, alleging it falsely marketed an orange juice as having “all-natural ingredients” despite purportedly containing PFAS.
- Multiple lawsuits were reportedly brought against a confectionery manufacturer, alleging that wrappers for various chocolate and candy products contain dangerously high levels of PFAS.
- A proposed class action alleges a fruit producer failed to disclose PFAS contamination in strawberries despite marketing them as meeting rigorous food safety and quality standards.
- Policyholders are searching for legacy policies and engaging insurance archaeologists.

PFAS

Considerations and Implications

PFAS Coverage Exclusions

- Specific PFAS exclusions are becoming more common in recent policies.
- There is a diversity of responses from the insurance market depending on the operations of the client and the line of coverage being sought.

Potential for Significant Losses

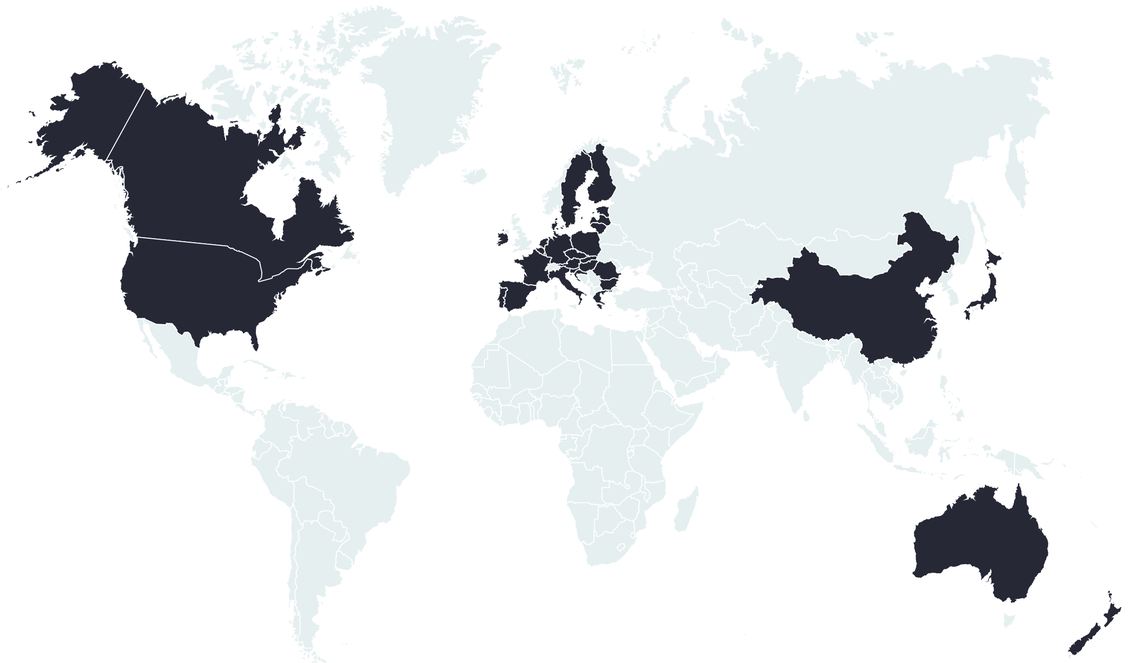
- Insurers face growing PFAS-related coverage disputes as policyholders challenge the application of pollution exclusions, with courts reaching differing conclusions on defense and coverage obligations.[4]
- In the U.S., the EPA estimates compliance with new PFAS drinking water standards will cost public water systems approximately $1.5 billion annually, while broader remediation, litigation and compliance obligations are expected to create significant financial challenges across utilities, manufacturers and their insurers.[5]
- The ultimate cost to the insurance industry will depend on various factors and remains uncertain.

Source:
4. PFAS Litigation and Insurance Coverage Update, Simpson Thacher
5. Final PFAS National Primary Drinking Water Regulation, United States Environmental Protection Agency

PFAS

Understanding the Global Landscape

A broad variety of PFAS regulations around the world have led some companies to phase out or ban PFAS in their products.



USA

- 2026: EPA proposed maintaining federal drinking water standards for PFOA and PFOS, with compliance extensions to 2031 and nearly $1 billion in new funding to address PFAS in drinking water.[6]
- Maine and Minnesota to ban unnecessary PFAS uses.
- California banning PFAS in children's products, food packaging.
- Colorado banning PFAS in cosmetics.

EU

- Proposed REACH restriction would limit most PFAS uses, with sector-specific exemptions under review.
- The EU Packaging and Packaging Waste Regulation restricts PFAS above defined thresholds in food-contact packaging from August 2026.
- EU analysis estimates PFAS pollution costs could reach €440B by 2050.[7]

Canada

- Some PFAS already prohibited.
- Proposed policy to increase regulation.

Japan

Some PFAS already prohibited.

China

Some PFAS already prohibited.

New Zealand

- Prohibited use of PFAS in fire extinguishers.
- Proposed policy to ban PFAS in cosmetics.

Australia

Australia introduced national controls from July 1, 2025, prohibiting the manufacture, import, export, and use of certain high-risk PFAS (including PFOS, PFOA, and PFHxS), subject to limited exemptions.

Note: PFAS regulations shown above as of August 2026; Regulations are not yet well established in Asia and LatAm, but the regulatory landscape is shifting rapidly across the globe.

Source:

6. EPA Advances Comprehensive PFAS Strategy with Legally Defensible, Practical, Scientifically Sound Drinking Water Protections, United States Environmental Protection Agency
7. EU says "forever chemicals" ban could save €110bn by 2050, Financial Times

Litigation and Settlements Signal Long-Term Liability Exposure

Recent PFAS settlements, coverage disputes and regulatory actions are shaping future litigation and long-tail liability uncertainty.

Settlement Activity

- PFAS-related settlements with public water systems have already exceeded $11 billion, and litigation may continue to expand across industries and jurisdictions in the U.S., Canada, UK and EU.[8]
- In 2026, the first federal PFAS settlement in the U.S. involving a major manufacturer highlighted increasing regulatory scrutiny and remediation obligations.[9]

Coverage and Liability Challenges

- Insurance coverage for PFAS claims has varied, with courts interpreting policy wording and exclusions differently.
- Contamination exclusions often apply to PFAS-related claims, though outcomes continue to vary based on policy language, timing and exposure pathways.

What Happens Next

- Major manufacturers have entered multi-billion-dollar settlements to fund testing, remediation and drinking water treatment.
- The ultimate scope of liability, number of claimants and allocation of settlement funds may continue to evolve across food, beverage, agriculture and related supply chains.



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Source:
8. PFAS Litigation and regulation in the US, Canada, UK and EU, International Comparative Legal Guides
9. U.S. Department of Justice Press Release. Office of Public Affairs, U.S. DOJ

FAB Industry Action Accelerates the Phase-Out of PFAS

In the U.S., food companies, retailers and consumer brands are increasingly reducing PFAS use in packaging and products in response to evolving regulation, litigation and stakeholder expectations.

32+
Retail chains representing

150,000
stores and

$654B
in sales.[10]

have publicly committed to reducing or eliminating PFAS in food packaging, textiles and other consumer products.

- Major restaurant, grocery and retail organizations have committed to removing PFAS from food-contact packaging and select private-label products.
- Leading organizations are reviewing packaging materials, products and supply chains to prepare for evolving regulations and changing customer expectations.
- Regulatory developments across the U.S., EU, Australia and other jurisdictions continue to accelerate efforts to identify, restrict or replace PFAS in products and packaging.



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Source:
10. Retailers committing to phase out PFAS as a class in food packaging and products, Toxic Free Future

PFAS

How Aon can Help

Insurance

- Assessment of PFAS coverage across general and environmental liability.
- Strategic broker to negotiate continued inclusion on cover.
- Tools such as a risk management information system to collect PFAS data to support renewal negotiations.
- Directors and Officers Insurance.
- Contaminated Product Recall Insurance.

Complex claims advisory

- Claims preparation.
- Claims strategy consulting.
- Claims advocacy and resolution.
- Forensic coverage assessment.

Future exposure

- Emerging risk predictive analytics.
- Business interruption valuation.
- Strategic Risk Advisory regarding future funding of risk and volatility management.
- Loss portfolio transfer.
- Captive solutions.
- Aon's PFAS Status Report: Engineering-based assessment of PFAS exposures, regulatory obligations and insurance implications that supports risk transparency, underwriting discussions and future risk management decisions.



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Contacts

For more information on how PFAS may impact the FAB Industry, please get in touch.

Susan Doering
Global FAB Industry Leader
susan.doering@aon.com

Bill Baxter
Director, Client Solutions
and U.S. Growth Co-Leader
bill.baxter@aon.com

Collin J. Breeney
Financial Services Group,
Co-Leader Greater New York
collin.breeney@aon.com

Vesa Hakanen
Supply Chain Risk Solutions Leader,
Europe, the Middle East and Africa
vesa.hakanen@aon.com

Matthew Hannon
National Casualty Practice Leader,
North America
matthew.hannon@aon.com

Catherine O'Leary-Smith
Environmental Risk Solutions Practice Leader, North America
catherine.oleary.smith@aon.com

Matthew T. Walsh, Esq.
Managing Director National Casualty Claims
matthew.t.walsh@aon.com

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