



## ENVIRONMENTAL LIABILITY

**Increasing environmental regulation means that businesses need to be more mindful than ever of the financial, legal and reputational consequences of dealing with a pollution event, as well as their social and ethical responsibilities.**

Whilst the 'Polluter Pays' principle exists, environmental liabilities are often passed to current property owners, who find themselves being held responsible for pollution or environmental damage for which they had no knowledge of and for which they had no control over.

Experience has shown that even operations that consider themselves as 'low risk' can give rise to complex environmental issues and costly clean-up, which may not be covered under a Public Liability insurance policy.

## WHEN QUOTING, WHAT INFORMATION DO WE NEED?

The information we need and the questions that we ask will very much depend on the individual risk, however we will require the following information:

- Details of assets and activities
- Property survey
- Risk management details - environmental, health and safety documentation
- Environmental reports where available.

## BESPOKE COVERAGES

- ✓ Capacity £25M
- ✓ Flexible deductibles
- ✓ Annual and multi-year policies
- ✓ Standalone policies or combined programmes
- ✓ Historic and future pollution incidents
- ✓ Gradual pollution cover
- ✓ Liability arising under the Environmental Liability Directive
- ✓ Own site clean-up
- ✓ Third party clean-up and liability
- ✓ Statutory liabilities arising from a regulatory authority
- ✓ Business interruption
- ✓ Crisis Management
- ✓ Emergency Response



**Protect Asset Value**



**Protect Against Regulatory and Operational Exposures**



**Legal and Technical Defence Expertise**



**Minimising Reputational Damage**



**Emergency Response and Crisis Management**

# ALREADY COVERED?

It is a common misconception that a business can rely on their public liability insurance policy or even their property policy to protect them in the event of a pollution incident. These policies are not designed to cover environmental risks and contain significant exclusions, e.g. gradually occurring pollution.

EXPOSURE	GENERAL LIABILITY	PROPERTY	ENVIRONMENTAL
Gradual Pollution	Excluded	Excluded	Covered
First Party Clean-Up Owensite Clean-Up	Excluded	Excluded	Covered
Statutory liability	Excluded Extensions available but limited to offsite clean-up for sudden and accidental pollution	Excluded	Covered
Environmental Liability · Biodiversity damage · Compensatory or Complementary Remediation · Imminent Threat · Non-Pollution	Excluded Extensions available but limited to sudden and accidental pollution. Offsite clean up, gradual pollution, compensatory and complementary remediation not included	Excluded	Covered

The failure of public liability and property insurance to address these gaps was highlighted in a report written by the International Underwriting Association, "Environmental Risks: insured or not?". The report concludes that the gap between the environmental liabilities associated with running a business and the cover available from traditional insurance is 'wide and getting wider'.

## TALK TO OUR TEAM

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