



Environmental
insurance solutions

UK, Europe and beyond

“Doesn’t my liability insurance cover pollution?”



Facing up to environmental risk



With the pace and breadth of legislation and regulatory change in the EU increasing, businesses are becoming more aware of the environmental liabilities they may face, both retrospectively and in the future. The European business community has, in general, been slow to focus on the potential environmental impact of its operations, but in many instances it is now being forced to take action.

Despite the drive towards harmonisation, regulations within the EU currently vary from country to country, so any company operating across more than one needs to make sure it is aware of the legal requirements and liabilities it faces.

Pollution liability is not just a consideration for the more 'traditional' environmental industries such as chemicals, petroleum or manufacturing; there is now pressure on any organisation to behave in a social, ethical and environmentally responsible manner. Companies' corporate governance and compliance controls are becoming increasingly important considerations for existing shareholders, potential investors and lenders.

Legislative changes and the increasing burden of governance and disclosure means that any organisation should consider environmental issues at the most senior level. Organisations need to be aware that in many instances, their casualty policies will not cover them for pollution liabilities.

Q. Doesn't my liability insurance cover pollution?

A. Actually, most liability policies offer only very narrow sudden and accidental coverage with no express protection for clean-up of contaminated soil and water. The vast majority of pollution conditions are caused gradually and not due to a specific accidental release.

Q. I don't handle hazardous chemicals in my business, so where is my exposure?

A. Any business can find itself exposed to environmental liability, either due to ongoing operations or resulting from activities on your property in years past. There is virtually no way you can be certain of what took place on your site years ago, therefore any business which owns or rents land is at risk.

Q. Isn't this coverage only economical for large companies?

A. The majority of environmental liabilities attach to small and mid-size companies, the very firms which are least able to absorb this unplanned and often catastrophic financial impact.

Q. Even if there is pollution on my site, who can make me do something about it?

A. Local authorities have been tasked with finding and assigning responsibility for pollution. The number of sites identified and the resulting prosecutions continues to increase. If you are planning to buy or sell a property, it's likely someone will want to go looking for a problem. Recent regulatory directives guarantee the enforcement environment will become more stringent.

Q. Isn't pollution coverage expensive and difficult to obtain?

A. The underwriting process ACE has developed is much more streamlined than in the past and in most cases, a quotation can be provided on the basis of existing documentation. As regards cost, premiums are far more competitive and commensurate with the risk posed than ever before.

Insuring environmental risk with ACE

Pollution liabilities no longer present the impossible risk management problems they once did. ACE European Group offers a full range of environmental liability solutions; from traditional risk transfer for simple operational exposures, to bespoke programmes specifically designed for complex merger, acquisition or liability relief transactions.

ACE's environmental coverage offers a range of options including:

- Coverage for gradual as well as sudden and accidental pollution conditions
- Coverage for historic conditions and operational exposures
- On-site clean-up of pollution conditions.

ACE's environmental liability offerings go well beyond the limits of traditional casualty insurance coverage. Through global expertise and experience, ACE can help its clients identify potential risks and create solutions to minimise bottom line impacts. We can provide comprehensive hands-on management for environmental liabilities from start to finish. In many cases, working with ACE to lessen the risk of environmental issues can actually free up assets and return idle properties to productive use.

Coverage for site-based exposures: Premises Pollution Liability

The Premises Pollution Liability policy is designed to offer a broad range of pollution liability protection for gradual as well as sudden and accidental first and third party environmental liabilities.

Coverage for services-based exposures: Contractors Pollution Liability

The Contractors Pollution Liability policy is designed to offer pollution liability protection for gradual as well as sudden and accidental third-party environmental liabilities arising out of the covered operations of an insured. This coverage offers an array of coverages for an insured and their subcontractors while performing covered operations at a job site. ACE Environmental Risk offers the ability to tailor the policy through endorsements and manuscripted language to enhance the policy to meet the specific needs of the insured.



Working with ACE

ACE is a leading global insurance and reinsurance company, providing a broad range of products and services to local and multinational companies. The ACE Group employs in excess of 15,000 people in over 50 countries around the world, doing business with clients in 140 countries.

ACE European Group, headquartered in London, is regulated by the Financial Services Authority and has been assigned an AA- (very strong) financial strength rating from Standard & Poor's and an A (excellent) rating from AM Best.

ACE is committed to meeting customers' needs through:

- Flexibility to handle most circumstances
- A strong capital base that can deal with major exposures
- A wide variety of innovative products and services
- An international network of claims centres and risk control professionals who know how to help clients reduce risk and loss costs.





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