



ACE Environmental Risk

Contractors Pollution Claims Scenario

Pollution conditions exacerbated by remediation contractor at development site

Scenario: As part of a significant regeneration project near Birmingham, an environmental contractor had been appointed to undertake remediation of buried waste at the site, through excavation and disposal of materials off site. During excavation, a number of chemical drums were discovered with several pierced by the earth-moving equipment used. This resulted in the release of a significant volume of process effluent, containing toxic organic compounds, into the surrounding soils and groundwater. The release of these contaminants increased the volume of material requiring off-site disposal and required the installation of a containment system to prevent migration to off-site receptors.

Product: Prior to commencement of the remediation, the environmental contractor purchased Contractors Pollution Liability (CPL) cover specifically for the period of the project. The policy gave an incident limit of £1 million, a policy aggregate of £3 million and a self-insured retention (SIR) of £25,000. In addition an extended reporting period was added to the policy term.

Claims Management: The contractor was able to manage a rapid response to the incident. Additional remediation measures were implemented to ensure the issue of on-site property damage was dealt with. The policy was triggered and responded by meeting all costs associated with cleaning up pollution conditions which resulted from the covered operations.



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