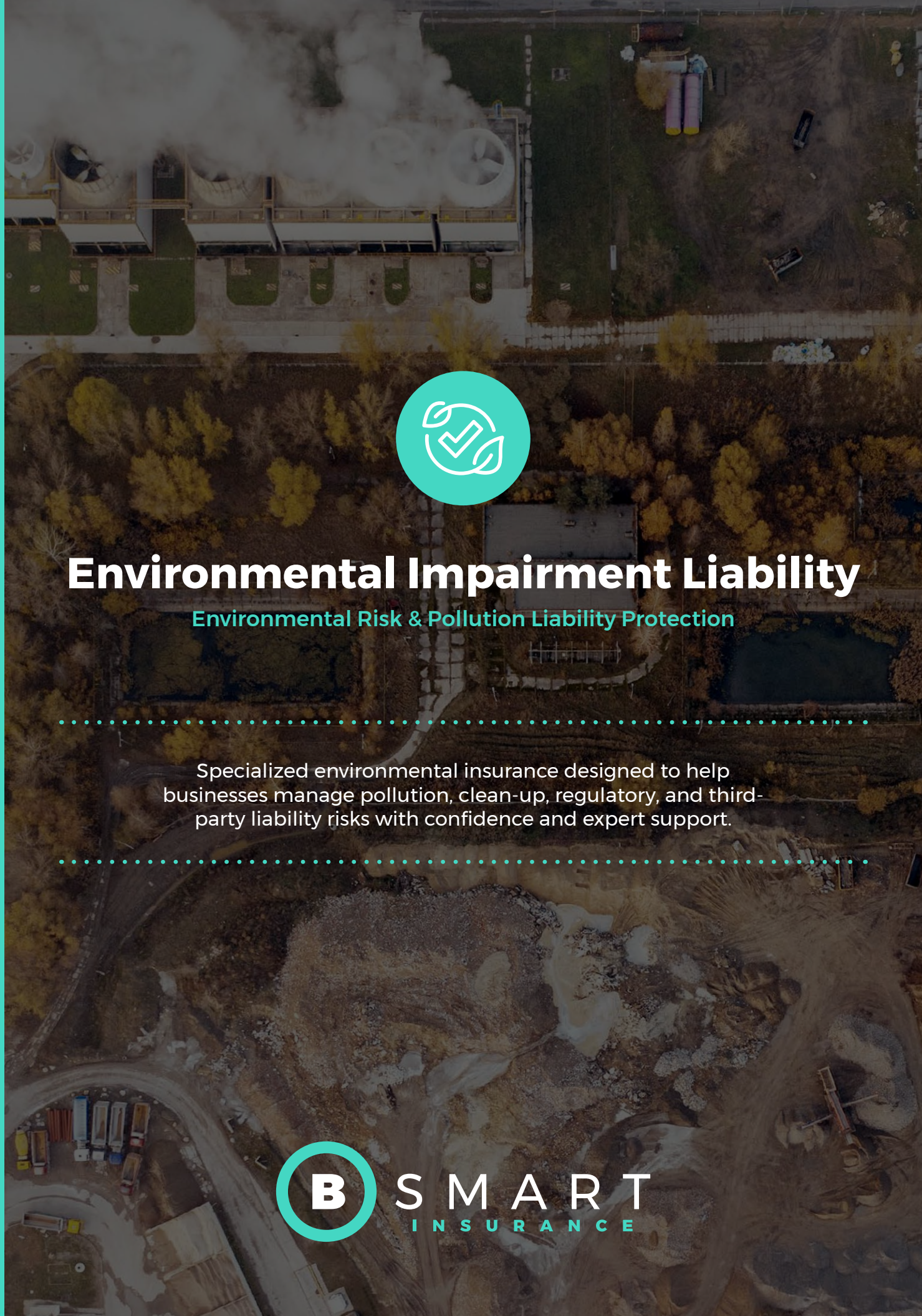


Environmental Impairment Liability

Environmental Risk & Pollution Liability Protection

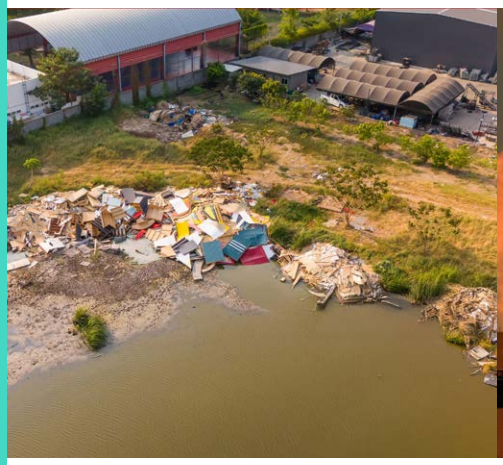
Specialized environmental insurance designed to help businesses manage pollution, clean-up, regulatory, and third-party liability risks with confidence and expert support.

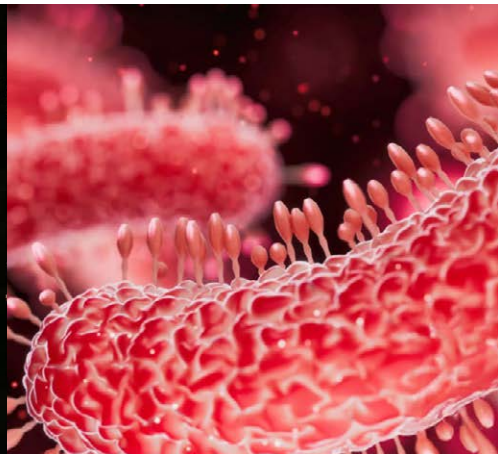
B SMART INSURANCE

Environmental Liability

Our Environmental Liability policy offers worldwide coverage on premises and site pollution across a range of areas including manufacturing, public sector and utilities, as well as contractors for construction, demolition, engineering, forestry and more.

Our specialist underwriters and dedicated claims handlers provide the right expertise at the right time for partners and clients internationally, with a particular focus on the UK, providing global expertise that is delivered locally by a professional that you know and trust. We are able to offer line sizes up to £25M meaning we can support a range of insureds from small to mid-size businesses. This can be on an annual or project-specific basis, and in certain cases will consider offering retroactive coverage.





Target Markets

- Manufacturing
- Downstream and Renewable Energy
- Warehousing
- Public Sector
- Retail and Commercial
- Utilities
- Power generation
- Construction (commercial/ residential and industrial)
- Site clearance
- Demolition
- Excavation
- Engineering
- HVAC and Plumbers
- Forestry

Capacity

- USD 35,000,000
- GBP 25,000,000
- EUR 35,000,000
- AUD 50,000,000
- CAD 35,000,000

Exclusions

- E&P operations
- Agrichemical application

Coverage

- First and third-party clean-up costs
- Third-party property damage
- Third-party bodily injury
- Emergency response and site investigation
- Pollution arising from transportation

B SMART INSURANCE

Appetite

Primary and Excess of Loss

✔ Target

Premises / Site Pollution
- Manufacturing
- Downstream and Renewable Energy
- Warehousing
- Real Estate
- Public Sector
- Retail and Commercial
- Utilities

Contractors
- Construction (commercial / residential & industrial)
- Site clearance
- Demolition
- Excavation
- Engineering
- HVAC and Plumbers
- Forestry
- Transport & Logistics

— Will Consider

Premises / Site Pollution
- Non-hazardous landfill sites
- Underground storage tanks

Contractors
- Environmental consultants
- Water services and utilities
- Mould and asbestos removal
- Underground storage tanks

✖ Polite Decline

Premises / Site Pollution
- Agrichemical application
- E&P operations

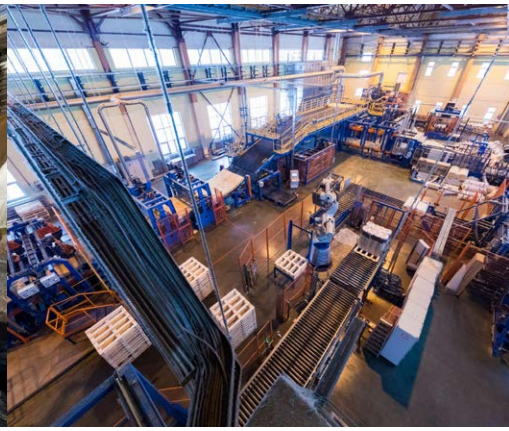
Contractors
- Agrichemical application

Wordings

We use market Wordings.

Insurers

Underwriters at Lloyd's of London.



B SMART INSURANCE

Coverage Analysis

The table below highlights the extent of coverage for typical policies across a range of liability types.

Cover	Public Liability Insurance Policy	Property Insurance Policy	EIL Insurance Policy
Third-party property damage and bodily injury arising out of a pollution event	✓ Sudden & accidental coverage only	✗	✓
On-site first-party clean-up costs	✗	✓ Restricted to debris removal, often sub-limited	✓
Statutory liability arising from gradual pollution	✗	✗	✓
Statutory liability arising from sudden and accidental pollution	✗ Unless optional extension provided	✗	✓
Gradually occurring pollution	✗	✗	✓
Environmental damage	✗	✗	✓
Mitigation costs to respond to an imminent threat	✗	✗	✓
Emergency response costs	✓ Third-party, sudden & accidental coverage only	✗	✓

Source: A Practical Buyer's Guide to Environmental Risk, IUA Non-Marine Environmental Committee (June 2021). For information purposes only. Not a guarantee of coverage.

CPL / Environmental Liability FAQs

Why should I consider purchasing a CPL Policy if I have never experienced a Pollution Loss?

In the competitive construction industry, maintaining a solid reputation is vital. Environmental incidents can greatly damage a company's standing, resulting in lost business and diminished trust. Having a CPL policy in place demonstrates a proactive approach to risk management, which can enhance a company's reputation.

The contracting profession inherently involves numerous risks. Construction sites frequently contain chemicals, fuels, and materials that, if improperly handled or accidentally released, can cause serious environmental harm. Such incidents can lead to substantial costs, including legal fees, regulatory fines, and third-party claims for property damage and bodily injury.

Moreover, many construction sites have a history of industrial or brownfield activities. Construction work can unintentionally disturb these areas, exacerbating existing problems and spreading pollutants. A CPL policy protects contractors from the financial repercussions of incidents arising from historical site conditions they could not anticipate.

Finally, environmental regulations are stringent and constantly evolving. A CPL policy ensures adherence to local laws, facilitates cooperation with regulatory bodies, and underscores a commitment to responsible environmental practices.

Can I cover the cost of an Environmental loss myself?

The financial impact of a pollution incident can be overwhelming. Clean-up expenses alone can reach millions of dollars, not to mention legal fees and compensation costs. A CPL policy offers a safety net, ensuring these expenses are covered without endangering the financial health of your business.

Do I need a Contractors Pollution policy if I have General Liability Insurance?

While a General Liability policy offers broad protection against many common business risks, it often excludes coverage for pollution-related incidents. A Contractors Pollution Liability policy fills this gap by offering specialized coverage for environmental risks, including clean-up costs, third-party claims, legal defence costs, and more.

Contractors involved in activities with potential environmental

impacts should strongly consider obtaining a CPL policy to protect their business against the unique risks associated with pollution.

A General Liability policy typically covers only sudden and accidental pollution releases, whereas a CPL policy extends coverage to include gradual pollution, sudden and accidental incidents, environmental clean-up, and transportation-related incidents involving hazardous waste and materials.

These answers are provided for information purposes only and are not a guarantee of coverage.

PLL / Environmental Liability FAQs

I have never had a pollution loss, why should I buy an Environmental policy?

Environmental policies provide essential protection against hidden risks and unpredictable environmental damage. Contaminants in soil or groundwater can remain undetected for years, surfacing during property transactions or inspections.

These policies cover the costs of identification and remediation, offering financial protection and peace of mind. They also shield against costly legal battles and compensation claims.

With evolving environmental regulations, stricter laws are being implemented globally. An Environmental policy ensures compliance with current and future regulations, avoiding legal repercussions.

In today's socially conscious world, a company's reputation is paramount. Environmental incidents can severely damage it, resulting in lost business opportunities.

An Environmental policy not only offers financial protection but also includes crisis management support to minimise reputational impact. Demonstrating a proactive approach to environmental liabilities can enhance your reputation.

Properties can lose value if contamination is found, and remediation costs are often high. An Environmental policy covers these expenses, protecting your investment and preserving asset value.

Having an Environmental policy ensures your business remains resilient even in the face of unexpected environmental challenges.

Can I cover the cost of an Environmental loss myself?

The financial implications of an environmental incident can be devastating. Clean-up costs, legal

fees and compensation payments can quickly escalate, putting your business at risk. An environmental policy provides financial protection against these uncertainties and can help your business continue operating.

Do I need an Environmental policy if I have General Liability Insurance?

Environmental claims can be costly and complex.

The clean-up of contaminated sites, legal battles and regulatory intervention can quickly escalate. Environmental policies are necessary to address the specific risks associated with pollution and contamination. General Liability policies will only offer limited protection in this regard - coverage is typically restricted to off-site third party clean-up only arising from a sudden and accidental event.

Environmental policies will cover the gaps that arise in General Liability policies and provide protection for both sudden and accidental and gradual events. Covering on-site first party clean-up costs as well as third-party clean-up, property damage and bodily injury.

Statutory liabilities are not covered under a General Liability policy, however protection will be provided under an Environmental policy for regulatory intervention. Emergency costs, mitigation costs and first-party business interruption are all included under an Environmental policy.

While General Liability and Environmental policies both provide critical protections for businesses, they address different risks and have distinct coverage gaps. Businesses, particularly those in industries with environmental exposures, should consider carrying both types of insurance to ensure comprehensive coverage and mitigate potential financial risks.

Understanding the gaps between these policies allows businesses to make informed decisions and implement a robust risk management strategy that addresses their unique needs.

These answers are provided for information purposes only and are not a guarantee of coverage.

B Smart Insurance Environmental Impairment Liability

B SMART INSURANCE

support@bsmartinsurance.com

604.245.0445

bsmartinsurance.com

Owl Underwriting Agency Inc. DBA B Smart Insurance