



Airmic Live 2021

Digital Event Series

International Underwriting Association

A practical buyer's guide to environmental risk

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7 July 2021

Our objectives today

At this Airmic Live Webinar, representatives from the IUA's Non-Marine Environmental Committee (NMEC) will discuss the IUA's recently published Practical Buyer's Guide to Environmental Risk. The Guide was designed to provide a comprehensive overview of environmental risk and the Environmental Impairment Liability (EIL) market.

Panellists will discuss key themes appearing in the Guide, such as environmental harm and torts, the limitations of environmental coverages provided in other types of non-EIL insurance policies and environmental loss scenarios that illustrate the role of EIL policies in responding to a broad range of environmental incidents.

After this session you will be able to:

- Explain environmental harm
- Summarise statutory regimes
- Compare options for Environmental insurance coverage
- Use case studies to explore environmental insurance claims experiences

and don't forget

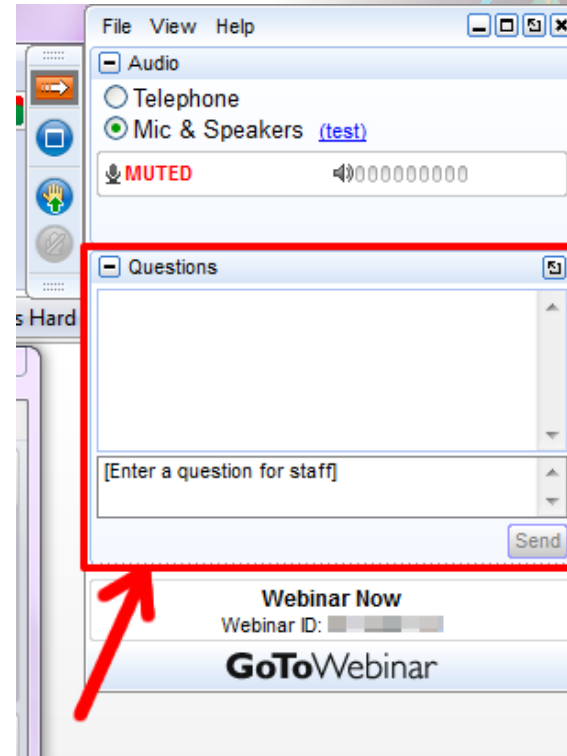


Airmic promotes and supports the planning, undertaking and subsequent recording, of Continuous Professional Development (CPD), offering a range of events, resources and other opportunities for professionals to develop.

Subject to the CPD scheme an individual belongs to, many Airmic activities are eligible for structured and unstructured CPD hours and points, and we would recommend hours are logged accordingly to present as CPD evidence should it be needed to. Wherever possible, Airmic will highlight the potential CPD hours / points available against its relevant activities.

How to ask questions

Use the questions tab on your GoToWebinar control panel



A Practical Buyer's Guide to Environmental Risk



IUA Non-Marine Environmental Committee

June 2021

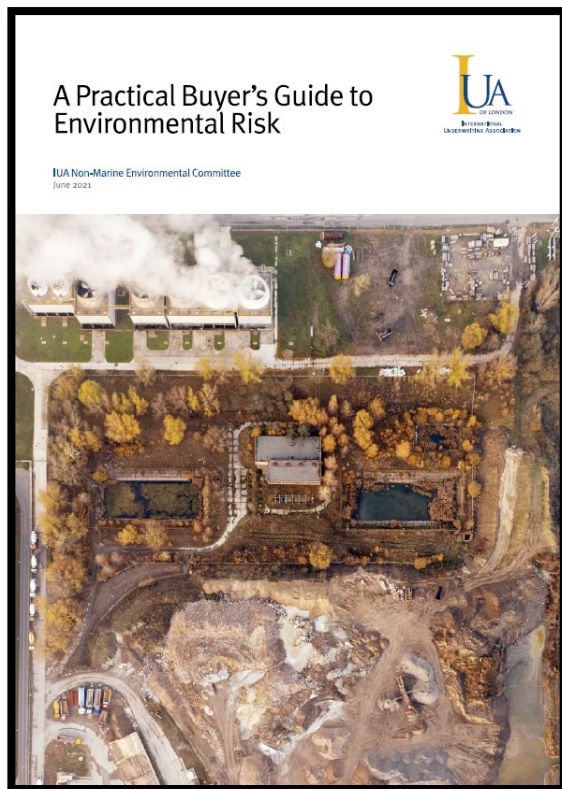
IUA Non-Marine Environmental Committee (NMEC) Panellists:

- **Yvonne Ledger**, Senior Environmental Risk Underwriter, Chubb
- **Robert Wade**, Portfolio Manager - Environmental, The Hartford
- **Jessie Francois**, Manager - Environmental UK, AIG
- **Alan Shaw**, Lead Underwriter - Environmental, RSA
- **Aidan Thomson**, Partner, Bryan Cave Leighton Paisner (BCLP) LLP

Panel Moderator:

- **Tom Hughes**, Senior Market Services Executive, IUA

A Practical Buyer's Guide to Environmental Risk



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What is Environmental Harm?	3
The Environmental Torts	3
Summary of statutory regimes	4
The road to EIL Insurance	4
What products are available?	5

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Other Coverage Areas	7

3 ENVIRONMENTAL CLAIMS EXPERIENCE 8

1 Large fuel-store depot: Fire	8
2 Large food manufacturer: River Pollution	8
3 Waste recycling centre: Fire	9
4 Remediation contractor: Odour Nuisance	9
5 Farming: Asbestos Contamination	10
6 Multinational construction firm: Groundwater Contamination	10

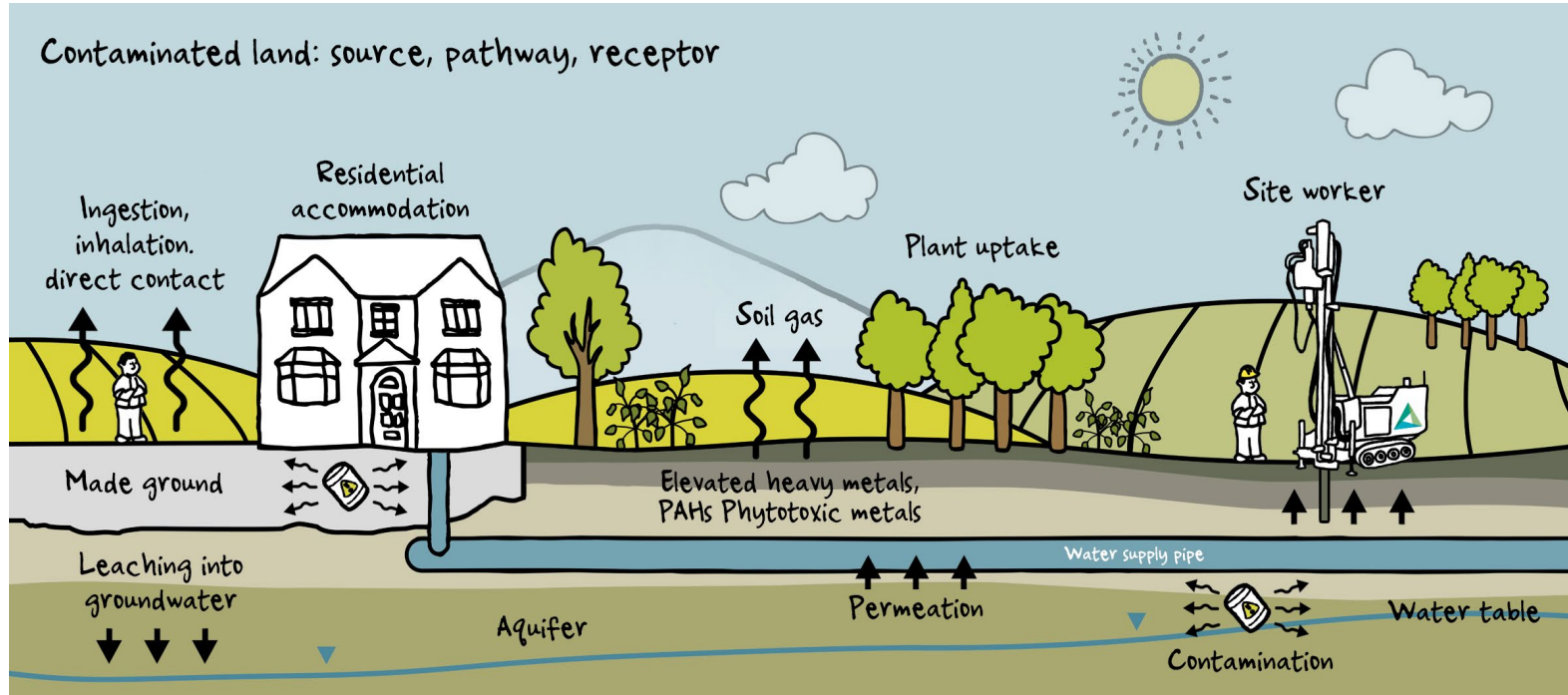
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Environmental Harm

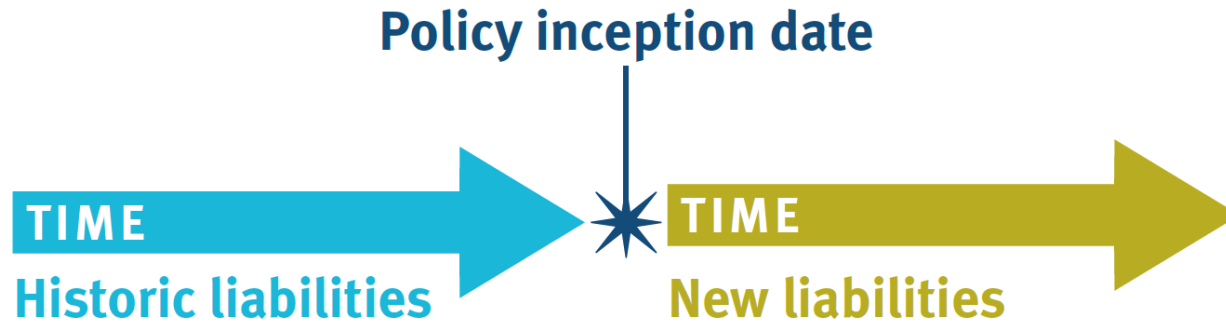


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Historic and new liabilities



Coverage Limitations

<i>Cover</i>	<i>Public Liability Insurance Policy</i>	<i>Property Insurance Policy</i>	<i>EIL Insurance Policy</i>
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	✗	✗	✓
Biodiversity damage	✗	✗	✓
Mitigation costs to respond to an imminent threat	✗	✗	✓
Emergency response costs	✓ Third-party, sudden & accidental coverage only	✗	✓
First-party business interruption loss arising out of pollution or environmental damage	✗	✓ Sudden & accidental or named peril only	✓

Environmental Claims Experience



Environmental Claims Experience



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The Insurance Process

Step 1 – The Submission

Prepare the appropriate submission for the environmental insurance market.

Site Exposure

- List of locations to be insured and operations conducted at each
- Any available environmental reports (Phase I / II, Site Audits etc.)
- Key environmental management procedures
- List of tanks containing bulk materials

If historical cover is requested, a Phase I or II Environmental Assessment is likely to be required.

Contracting Operations

- Breakdown of contracting revenues
- Link to website (project examples)
- Statement of works / key environmental statements

Step 2 – Market Engagement

- Liaise with a qualified insurance broker who will help in preparing the submission to the market. The broker will assist with determining the limits and deductibles necessary prior to approaching the market.
- The broker will usually provide a recommendation based on the quotations from the various markets and provide a comparison.
- The insurance market may require additional information and, once all subjectivities have been met and it is considered that the coverage is fit for purpose, cover can be inceptioned.

Step 3 – Purchase and Claims

- Embed the coverage into the company's Environmental Management System for reporting claims.
- Claims should be reported to the insurance company in a timely manner.
- The insurance company will generally supply a 24-hour incident response line.

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Partner Consultation
1 July 2021

Driving Transformation

Shaping the future

Airmic Conference 2021



5 - 6 October



Brighton Centre



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