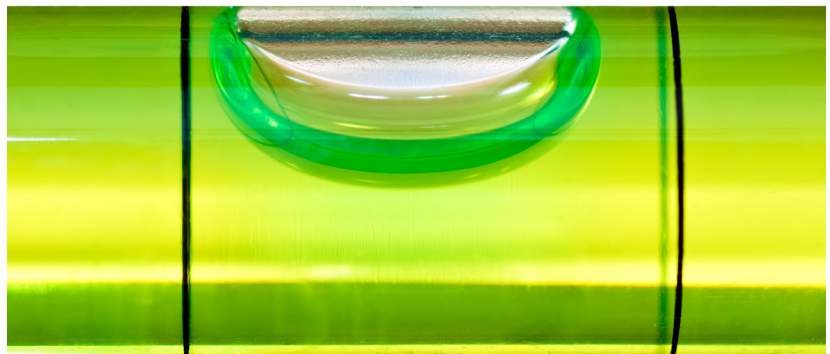


CONTRACTORS POLLUTION LIABILITY INSURANCE (CPL)



The potential for causing pollution or damage to the environment during construction works is generally elevated compared to the everyday running of a facility. The potential for a fuel spillage or for an escape of large volumes of water is increased and therefore so is the potential for a regulator or third party claim for damages or a requirement for clean-up.



Environmental insurance is a specialised form of insurance used to provide cover for the direct and indirect costs of cleaning up pollution if required by the environmental regulator or by a third party. This insurance can also cover third party claims for bodily injury or property damage caused by pollution and can be structured to cover the eventuality of causing biodiversity damage or environmental damage due to non-pollution related incidents such as a fire, water runoff or physical disturbance.

Contractors pollution liability insurance can be used to insure against the eventuality of having an environmental liability for pollution, caused by a spill or leak or through the exacerbation of an existing land contamination situation.

On completion of the building or utility for use, a contractors pollution liability insurance policy can be used to cover the everyday operation and maintenance required under project agreement, where there is an ongoing potential to cause pollution or damage to the environment or an assumption of liability through contract.

SCOPE OF COVER

“Gradual”, “sudden and accidental” pollution events (including the mobilisation of existing pollution) arising from the contractor’s operations that result in:

- Statutory first and third party clean-up costs.
- Third party claims for bodily injury and property damage.
- Biodiversity damage.
- Legal defence expenses.
- Third party loss of use, including diminution in value.

The policy provides comfort that pollution liabilities associated with a development project are covered, ensuring the ongoing financial viability of the project and protecting all stakeholders from environmental liabilities.

For additional information on the coverage and pricing for site specific environmental insurance, please contact your client executive at Marsh or a member of Marsh’s Environmental Practice.

FURTHER READING



CONTACT

CLIFF WARMAN
 EMEA Environmental Practice Leader
 +44 20 7357 2200
 cliff.warman@marsh.com

JULIE SPEED
 Business Development Coordinator
 EMEA Risk Practices
 +44 20 7357 2608
 julie.speed@marsh.com

NICK BENNISON – UK
 +44 20 7357 2207
 nick.bennison@marsh.com

CHRISTOPH MOCKLINGHOFF – FRANCE
 +33 14 134 5059
 christoph.mocklinghoff@marsh.com

KOENRAAD DESTICKERE – BELGIUM
 +32 3 286 6477
 koenraad.destickere@marsh.com

RAMON CANOSA-CASTILLO – SPAIN
 +34 91 456 8468
 ramon.canosacastillo@marsh.com

FRANCESCO FERRARO – ITALY
 +39 02 48 538 510
 francesco.ferraro@marsh.com

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