

ENVIRONMENT

Environmental issues are important to business because:

- They are expensive. Companies spend money on contaminated site cleanups, liability issue settlements and additional capital investments and operating expenses
- Due to liability provisions in environmental law, companies may be held liable for the site even though they weren't the original polluter
- Environmental cleanups have a history of exceeding their original estimates
- The public is concerned with the way companies address environmental issues. Companies that behave poorly are subject to negative publicity, as well as lawsuits, boycotts and loss of customers

The kind of environmental exposures companies face can be placed in three broad categories:

Cleanup Costs at Contaminated Sites

Sites with known contamination present exposure due to costs of cleanup. In these cases, the liability is not transferable. However, companies are able to limit their exposure of cost overruns often associated with environmental projects. There are many factors that contribute to the final cost increase, including failure of the technology used to meet expected performance, changes in cleanup standards, unexpected areas of contamination not identified in the initial studies, and the underestimation of projected completion time.

Environmental Liability Associated with Remedial Action

The actual cleanup also presents exposures to the site owner, which include the engineers' Errors and Omissions during the design phase. The entire extent of contamination may not have been fully identified, or the selected remediation technology may turn out to be ineffective.

The contractors' site activities performed during the cleanup can also produce liabilities. One such activity is excavation, which can spread contamination to previously clean areas, can cause contamination to enter streams or run off onto neighbouring properties, or cause contamination dust or vapours to migrate off-site.

Environmental liability associated with past or ongoing operations

Past or ongoing operations present various exposures to a site, which can include, but are not limited to:

- Unknown or missed contamination from previous cleanup projects that require additional cleanup
- Wastewater discharges into streams or air emissions that result in contamination that requires cleanup or third-party claims
- Leaking underground or aboveground storage tanks that cause soil or groundwater contamination
- Storage and handling of chemicals or other hazardous materials resulting in spills or releases to the environment
- Accidental spill during transportation to off-site disposal facilities

All of these potential scenarios can trigger cleanup obligations for the site owner or result in a third-party claim.

Expertise

Whether you are a property owner, a construction company, a consultant or a manufacturer, you face environmental exposures. You will benefit from our expertise in coverage areas such as:

- Contractors/Consultants Pollution Legal Liability policies
- Cost Cap/Fixed Price Remediation programs
- Site-specific Environmental Liability coverage
- Real-estate Transactional policies
- Storage Tank Liability policies

We also facilitate Merger & Acquisition transactions with the use of policies to transfer environmental risk.

Personal Service, Professional Approach

A thorough evaluation of your current and future liabilities will help us develop a risk transfer program to contribute to the financial stability of your company in case of loss, and support you in attaining the objectives of your Board of Directors and fulfilling your contractual obligations.

